Annual Report on American Industry

JANUARY 8, 1990

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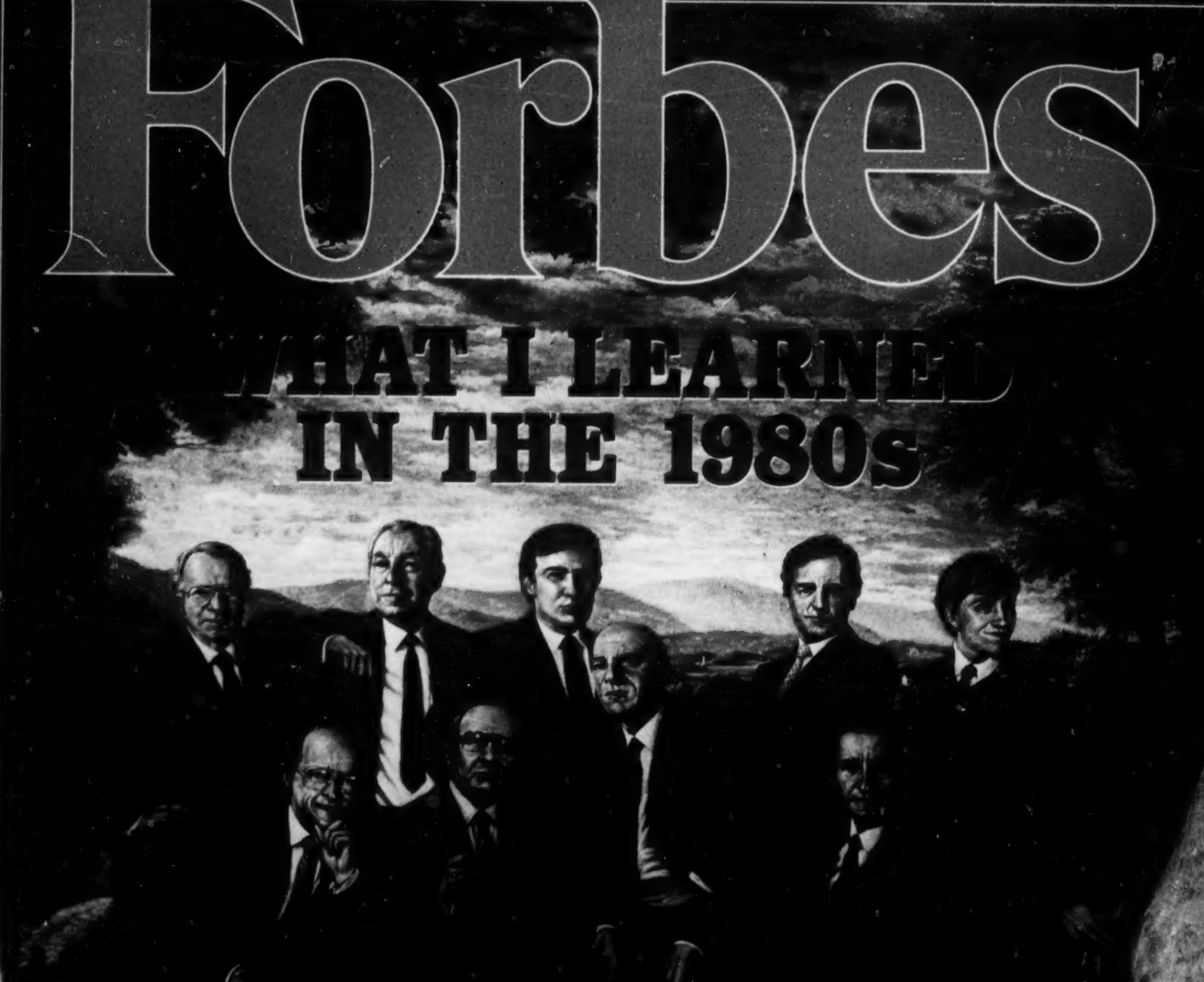
Forbes

WHAT I LEARNED IN THE 1980s



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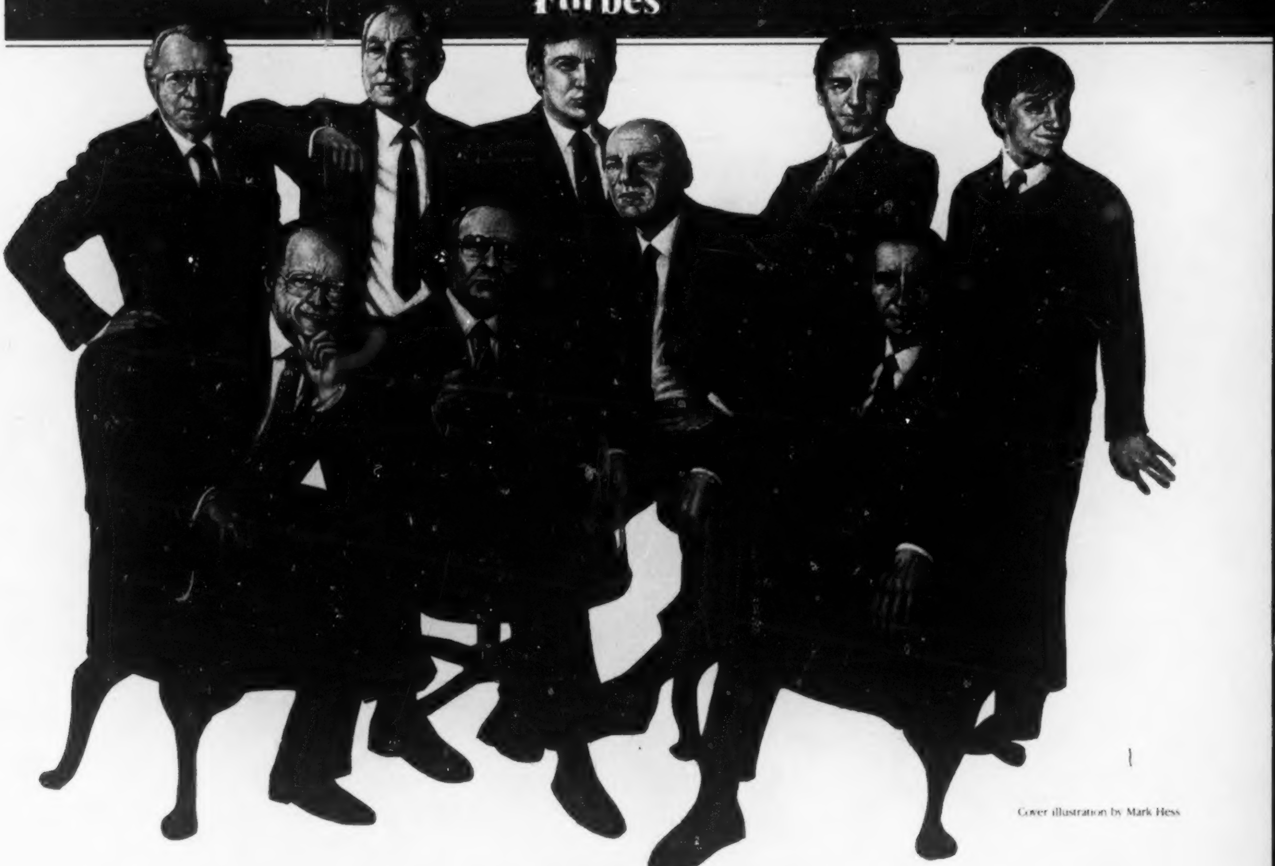

Cover illustration by Mark Hess

Standing: Roger Smith, Walter Wriston, Donald Trump, John Sculley, Bill Gates
Sitting: Donald Peterson, Jack Welch, Barry Diller, Ross Perot

JANUARY 8, 1990
VOLUME 145
NUMBER 1

COVER STORY

100 "What I Learned In The Eighties"
By Ruth Simon with Graham Button
As the Eighties drew to a close, FORBES talked with 24 chief executive officers about what they learned in the past decade and how they plan to apply those lessons in the Nineties. Ten themes recurred in these interviews.

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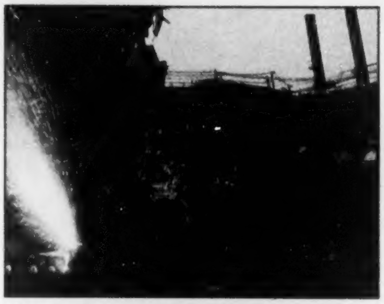
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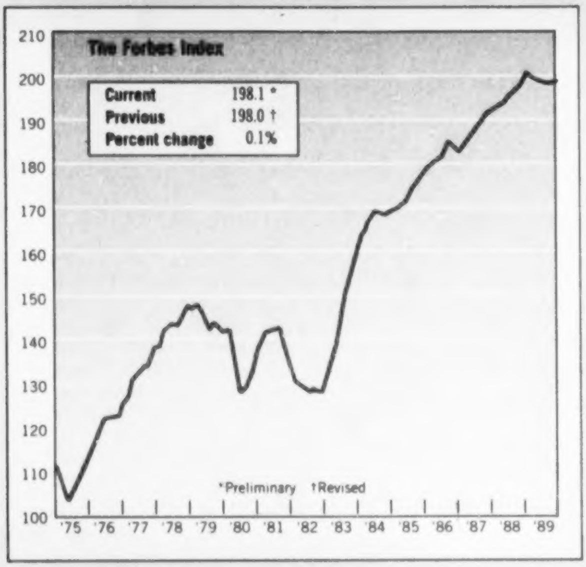
The Forbes Index



Spending habits are hard to break, even if the tax advantages are disappearing. Prior to 1987 interest on auto loans and credit card balances was tax-deductible. For 1989 taxpayers may deduct only 20% of these charges, for 1990 only 10%. The only significant tax deduction left for the average consumer is interest on mortgage payments on first and second homes. Nevertheless, consumer debt (seasonally adjusted) hit a record $708 billion in October, and is up 22% since the end of 1986. Retail sales posted a modest 0.8% increase in November, which brought them within $700 million of last September's alltime high. Industrial production edged up 0.1% in November.

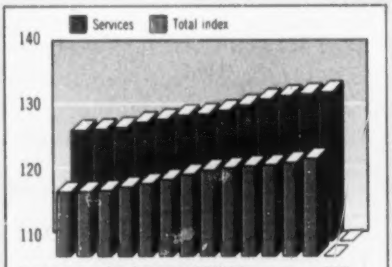
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.5%
Auto sales[1] year to date vs. 1988	Ward's Automotive	–5.1%
Index of leading indicators October vs. September	Dept. of Commerce	–0.4%
Trade balance last 12 months	Dept. of Commerce	–$118 bil
Producer price index[2] November vs. 1988	Dept. of Labor	4.7%
GNP 3rd quarter vs. 2nd—annualized growth	Dept. of Commerce	2.7%

[1] U.S. based manufacturers only as of 12/10//89. [2] Finished goods.

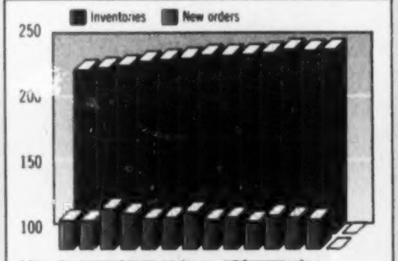
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

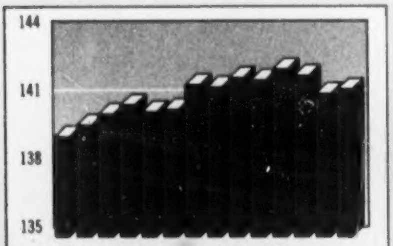
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



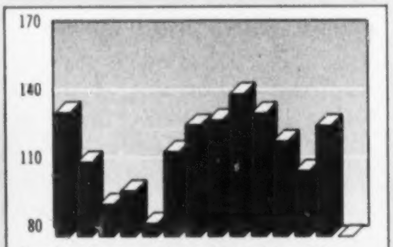
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



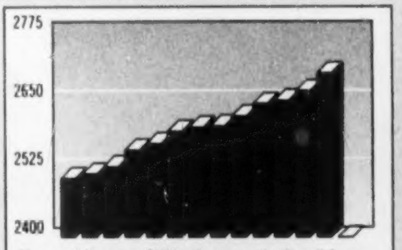
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



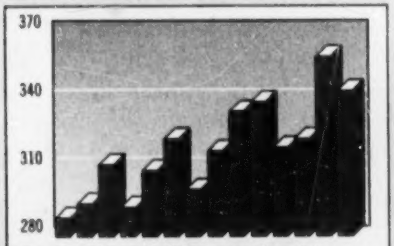
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



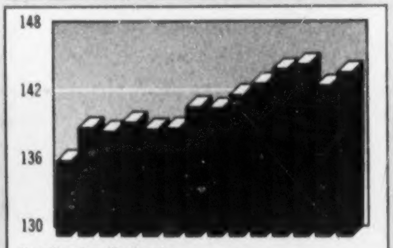
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



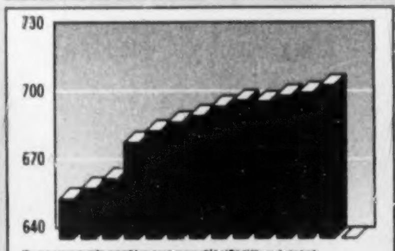
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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1988 1989

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1988 1989

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1988 1989

ANNUAL REPORT ON AMERICAN INDUSTRY

Nineteen eighty-nine is history, but much of what happened in business last year will reverberate over the next decade. FORBES' Annual Report on American Industry, now in its 42nd year, has a unique perspective. Drawing upon our extensive database, it provides yardsticks for measuring major companies against their peers. Which companies have best used this year of transition to prepare for the future? Which are best prepared for the coming decade, the 1990s? FORBES editors' judgments will be found in the following pages, and they include some surprises. Despite the difficulties and bad press of recent years, for example, General Motors was picked as the best-positioned company in the Consumer Durables sector.

Reflecting changes in American industry, our categories have been revamped this year. Brokerages and banks, for example, are reviewed under our new Financial Services category. Coal companies are now included with their competitors in the oil and gas business in a new category called Energy. In all, this year's survey contains 20 categories, down from 31 last year. There are 70 subgroups.

Another change: To give readers a better long-term perspective, we added ten-year returns to our usual five-year results for each company.

This survey is more comprehensive than ever. It includes 1,150 companies, up from 1,116 one year ago.

For most industries, the economic expansion that began in 1982 was marked not by sharp up and down cycles but rather by a slower, steadier growth pattern. The median company in this survey had an average return on equity of 14.3% for the full ten-year period as well as for the most recent five-year period. And performance didn't change much during the latest 12 months: The median company's return on equity was 14.4%.

Companies are ranked against their competitors, industry by industry, in the section that begins on page 122. Farther back in the magazine *(p. 216)*, we show the stock market performance of all firms surveyed. Also, they are ranked by profits *(p. 238)* and growth *(p. 206)*.

This annual report is our largest ever. The companies range in size from General Motors, with $120 billion in revenues, to Immunomedics, a $2 million (sales) firm specializing in cancer detection and treatment. Our general rule for inclusion: A company must have minimum revenues of $400 million, or $800 million if it is a bank or electric utility. The only exception comes in biotechnology, where we waive the minimum. That's how firms such as Immunomedics made the list.

In the Eighties debt played an increasingly important role in corporate finance, and so we made two relevant changes: Our tables now show return on total capital as well as debt as a percentage of total capital. Return on capital indicates what management is earning on all assets, not just a firm's equity base.

One significant revision is not of our making, but it should be noted: Financial Accounting Standards Board rule 94 requires corporations to consolidate the results of majority-owned subsidiaries, such as captive finance units. This controversial requirement means that companies such as General Motors and Ford, which have major finance operations, now show significantly higher debt loads. In reality, the only thing that is different between now and previous years is a change in bookkeeping.

In this issue, the vast majority of firms are now listed in only one industry group. But a few exceptions, such as General Electric, which is in two major and distinctly different lines of business (aerospace and electrical equipment), are assigned to two different industries. Other rules and explanations appear on the following page.

THE BEST COMPANIES FOR THE 1990s

Industry	Company	Survey page
Aerospace & defense	Boeing	122
Business services & supplies	Kelly Services	124
Capital goods	Emerson Electric	126
Chemicals	Dow Chemical	130
Computers & communications	Apple Computer	134
Construction	Ryland Group	140
Consumer durables	General Motors	142
Consumer nondurables	Johnson & Johnson	148
Electric utilities	PacifiCorp	152
Energy	Consolidated Natural Gas	156
Entertainment & information	Walt Disney	160
Financial services	BankAmerica	164
Food, drink & tobacco	Sysco	172
Forest products & packaging	International Paper	176
Health	Humana	180
Insurance	Geico	184
Materials	Lafarge	188
Retailing	Wal-Mart Stores	192
Transport	Norfolk Southern	200
Travel	AMR	204

HOW WE CALCULATE THE RESULTS

	Profitability					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**

Profitability

We calculate return on equity by taking primary earnings per share and dividing it by common shareholders' equity per share at the beginning of the year. In this computation, FORBES assumes the conversion of all convertible preferred stock. The difference between the stated value and liquidating value of nonconvertible preferred shares is subtracted from common stockholders' equity. When calculating per-share earnings, FORBES includes gains or losses from discontinued operations but excludes extraordinary items.

Five-year and ten-year average return on equity is calculated with a modified version of the sum-of-the-year's-digits method. This technique places greater emphasis on most-recent results. Past performance is still factored into the equation, but it is given less relative weight. For years in which a firm lost money but still had a positive equity, we calculate the percentage lost on equity and factor this result into our equation. Excluded from our calculation are years in which a company lost money and also had a negative equity. Note: In calculating our long-term results, if a company shows a return on equity exceeding 100% in a given year, our computers automatically scale back this value to 100%.

For return on capital we divide aftertax profits, the amount remaining if the interest paid on long-term debt was taxed, and minority interest by a firm's total capitalization. Except for electrical utilities, most companies do not report interest expense on long-term debt. In such cases FORBES estimates this figure for the latest 12-month reporting period. In calculating the tax break derived from the interest expense, a corporate tax rate of 34% is assumed. Total capitalization is defined as long-term debt, common and preferred equity, deferred taxes, investment tax credits and minority interest in consolidated subsidiaries.

Growth rates

We use the least-squares method to calculate sales and earnings growth rates. This equation adjusts for sharp fluctuations and comes up with a result that closely reflects the average rate of growth. Example: Over four years a firm's earnings go from $1 to $2, then to $3 and finally to $4 in the last year. That's a 100% jump from the first to the second year, a 50% jump in the third year and a 33.3% increase in the fourth year. Least-squares says that, on average, earnings grew by 57.8% ($1 x 1.578 x 1.578 x 1.578). Note that if you perform this calculation you will obtain a result of $3.93 rather than $4 in the final year. That's because the regression equation finds an answer that best fits the year-to-year change for all four years, not just between the first and last year.

One limitation of the least-squares equation is that it cannot handle negative values. If earnings are negative at the start of the period, FORBES calculates the growth rate for a shorter length of time, beginning with the first positive year. Of course, some companies lost money during the middle of the measuring period. For a ten-year growth rate we dropped as many as three negative years from our calculation and measured the growth rate over the remaining positive periods. Our assumption: that the brief losses were not representative of the company's long-term performance. However, if the company lost money in more than three years, a ten-year growth rate is not calculated and the result is listed as not meaningful. Similar adjustments are made for five-year growth rates.

Our computer also checked all growth rates with a correlation measurement to see if the earnings pattern made sense. For example, it is possible to generate a growth rate when earnings go from $10 in the first year to 1 cent the second year, $18 the third year and 25 cents in the fourth year. But the resulting growth rate, –30%, does a miserable job at describing the year-to-year change in the company's earnings. For such companies with wildly fluctuating earnings, we marked their growth rates as not meaningful.

Time periods

Ten-year growth rates require 11 years worth of data. For companies with fiscal years ending in April through December, growth rates are based on the fiscal years through 1988. For companies with fiscal years ending in January through March, the fiscal years through 1989 are used. Growth rates covering less than the full period of time are footnoted. When there are not enough data to calculate a growth rate for the period, the growth rate is marked NA (not available).

Latest 12-month comparisons are between the most recent four quarters and the same four quarters in the previous year. Revenues and net profits are measured over the latest 12 months. Debt as a percentage of total capital is calculated as of the latest balance sheet.

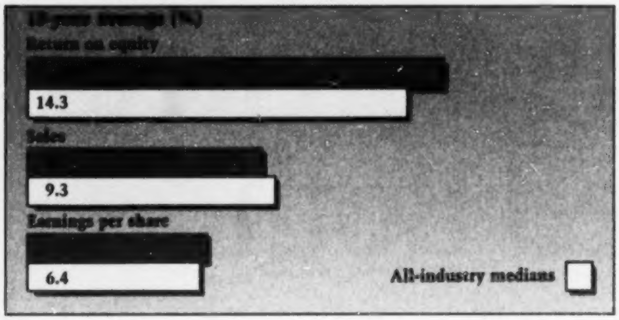
Definitions

FORBES defines sales as net sales plus other operating revenue. For banks, sales is defined as total interest income plus other income. Sales of insurance companies include income from premiums and annuities as well as net investment income and other income. Debt as a percentage of capital is defined as long-term debt, including capitalized leases, divided by total capitalization.

Medians for all companies are calculated by listing companies in rank order and selecting the value of the middle company. When there is an even number of companies, the median is obtained by averaging the data on the two middle firms. The all-industry median is calculated by taking the median of 20 individual industry medians. All companies except those with NA are ranked in calculating an industry median.

AEROSPACE & DEFENSE

Charts and Symbols by Paragraphics



Yes, with defense spending slow, the industry is off—but not drastically.

By Howard Banks

THE DEFENSE AEROSPACE SECTOR is far from the disaster that recent headlines suggest. Talk of a $180 billion cut in military spending over four years is misleading. That is a "cut" from the Pentagon's wish list of all the programs it can dream up, knowing that most of them will never be funded. Moreover, a record industry backlog of $223.1 billion (up 27% from 1988 levels) will buffer these companies against lower Pentagon spending in 1990.

Some of this increased backlog is the hangover of previous defense orders, but the vast majority results from the booming airliner market. Boeing's civilian backlog of $85 billion is up from $53 billion in 1988, and McDonnell Douglas' $23.1 billion is up 37%. Work for NASA is also up, by about 15%.

Now that Gorbachev has declared the Cold War over and Congress is eager to spend in advance anticipated savings from the U.S. military budget, nobody thinks of defense as a growth business. Equipment deliveries to the Defense Department actually fell 1% in 1989, to $61.3 billion. The defense sector's return on equity slipped a bit to 13.4% from the previous year's 14.1%, lagging the all-industry median by a full percentage point.

Defense Department delivery programs will be stretched out this year, delaying shipments from arms manufacturers. Among the candidates is the $45 billion Advanced Tactical Fighter being competed for by two groups, one led by Lockheed, the other by Northrop. Another project likely to be delayed is Northrop's $70 billion B-2 Stealth bomber. Some programs could be canceled completely, including the $25 billion V-22 tilt-rotor chopper-cum-plane being built for the Marines by Textron and Boeing.

Also at risk will be some of the smaller electronics companies that live mostly on subcontracts from the prime defense contractors. Talk will increase about how many of the major contractors will go broke, merge or be taken over in 1990. But consolidation in an industry can be a good thing for the survivors. ■

Aerospace & defense	Profitability					Growth						Sales	Net income
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Lockheed	30.4	29.0	8.3	8.1	41.6	12.7	10.6	–11.8	30.2	15.8	–67.5	9,536	211
Pall	24.8	22.5	17.5	15.9	9.4	16.4	15.5	15.8	15.1	15.1	–2.6	497	58
General Dynamics	22.9	23.6	16.6	10.7	25.9	11.4	6.1	4.9	17.7[a]	10.0	–11.4	9,949	321
Martih Marietta	22.6	28.5	21.4	12.8	20.3	11.6	8.4	3.2	12.4	11.8[d]	–27.4	5,708	257
Precision Castparts	21.9	26.4	15.0	12.1	16.1	23.2	38.6	3.6	28.5	50.2	–18.2	446	29
Rockwell Intl	21.4	22.9	20.4	14.5	13.2	8.9	8.4	4.8	15.4	16.8	–5.6	12,518	735
Raytheon	21.4	22.7	24.6	24.2	1.8	8.5	7.3	7.9	9.0	18.7	10.5	8,761	519
Sequa	19.7	23.0	9.9	7.6	50.3	10.5	12.4	11.2	NM	33.7	31.0	1,812	67
Loral	18.8	19.5	16.5	11.3	43.2	26.7	27.2	–12.8	15.8	18.8	1.8	1,166	84
E-Systems	18.7	17.4	16.2	13.6	13.5	15.3	12.7	15.7	16.5	4.6	10.8	1,581	80
General Electric	18.7	18.0	20.4	13.3	39.2	8.3	12.8	10.1	8.7	7.2	33.1	53,935	3,777
Kaman	16.4	16.9	4.5	4.4	41.0	10.0	9.8	3.2	14.4	12.5	–70.3	789	8
Litton Industries	16.1	13.6	15.4	9.3	42.9	1.6	NM	3.3	NM	NM	11.4	5,023	178
TRW	15.9	16.9	16.4	10.6	29.6	5.3	4.6	1.8	3.9	NM	–6.7	7,133	255
Rohr Industries	15.9	13.8	8.9	7.8	41.1	8.1	7.7	15.2	7.0	NM	2.7	1,045	33
Boeing	15.6	13.5	14.3	13.1	4.3	10.2	10.4	21.6	3.5	NM	32.6	20,301	772
GenCorp	15.1	20.7	NE	43.8	72.1	NM	–6.3	7.0	16.0	36.5	3.6	1,937	244
United Technologies	12.6	11.5	13.7	11.3	24.7	8.5	3.5	12.9	3.6	NM	–2.7	19,667	668

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

SITTING PRETTY

Louie Psihoyos/Matrix

Frank Shrontz of Boeing Co.

As the 1990s begin, no other aerospace company can compare with Boeing Co. The Seattle-based giant boasts an $85 billion backlog and more than $3 billion in cash. Despite a 48-day strike last year, the company emerged with a labor deal that will not add much more than 6% or so a year to employment costs.

On the civil side, Boeing's problems continue to be those of success and managing quality, which has gotten lumpy. The outfit plans to produce 34 airliners a month by the middle of this year. Boeing is also about to launch an all-new, wide-body twin-jet airliner, the 777. Total upfront investment: $5 billion. Boeing had hoped to share this cost with Japanese companies, but that possibility is receding.

As elsewhere in the industry, it's a much less happy story for Boeing on the military side, where operating profit has sunk from $422 million in 1986 to $30 million in 1988. For 1989, a loss of some $55 million was expected.

Not surprisingly, a major shake-up is under way. Starting this month, Boeing Chairman Frank Shrontz has formed a new defense and space group, melding $6 billion of annual sales from four divisions—military aircraft, helicopters, space, and advanced systems/electronics.

What went wrong? Boeing may have been too bullish as the defense spending cycle turned down. Says B. Dan Pinick, head of Boeing's new defense group, "We bid overaggressively on some projects and showed ineffective management when you get right down to it." Cost problems are known to include programs to build a new wing for the A-6 Navy attack aircraft and to develop software for the Navy's E-3 plane. Pinick sees results improving in 1990, partly on savings (over two years) of $100 million through reduced overhead.

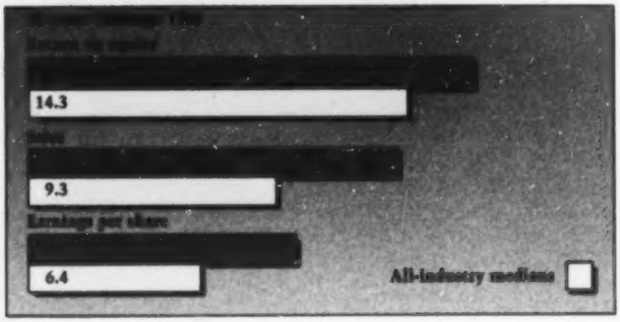
Expect some of Boeing's defense plants to be converted for the booming commercial group—a swords-to-plowshares option most defense contractors don't have. The transformation has already begun at Boeing's major Wichita plant.—H.B.

Aerospace & defense	Profitability					Growth						Sales	Net income
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
McDonnell Douglas	12.6	12.0	3.9	4.9	42.3	13.2	12.9	5.2	8.8	3.0	–57.3	15,084	125
Textron	12.4	13.9	10.9	7.4	69.8	9.1	27.1	2.5	6.6	22.1	4.2	7,325	264
Northrop	12.3	8.5	def	def	36.0	16.8	13.6	–3.2	NM	NM	P-D	5,651	–133
Grumman	11.6	9.2	9.2	7.1	47.5	10.5	9.8	4.6	13.4	–9.3	368.1	3,670	77
Allied-Signal	9.8	11.1	15.7	11.3	32.8	13.3	3.6	0.3	NM	NM	18.0	11,891	517
SPS Technologies	8.9	8.1	11.5	9.9	33.0	5.0	15.2	3.8	–5.0	17.8	173.4	433	20
Sundstrand	8.3	3.0	13.4	8.8	24.5	6.8	10.0	9.9	NM	NM	D-P	1,578	72
Wyman-Gordon	7.4	1.8	def	0.1	5.3	–4.6	–7.7	29.5	–14.9	–27.2	P-D	339	–1
Honeywell	2.4	def	def	def	29.8	5.7	3.4	–1.4	NM	NM	P-D	7,104	–271
Talley Industries	1.6	2.2	19.0	10.0	56.6	–2.9	3.1	21.9	NM	NM	500+	416	27
UNC	def	7.6	11.7	9.5	63.1	6.8	13.1	6.4	NM	37.4[d]	27.4	454	16
Todd Shipyards	def	def	NE	def	102.6	–3.9	–9.8	–17.4	NM	NM	D-D	308	–76
GM Hughes Electronics	NA	3.4[d]	3.2	10.0	3.4	NA	13.0	4.9	NA	12.1[c]	1.1	11,293	768
Teledyne	NA	22.8	13.8	12.2	19.8	3.1	NM	6.4	NA	11.1	–32.4	4,707	294
Thiokol	NA	18.6[c]	7.0	5.1	38.2	NA	8.2[c]	2.7	NA	6.0[c]	–53.9	1,156	18
Industry medians	**15.7**	**13.9**	**13.4**	**10.0**	**33.0**	**8.9**	**9.8**	**4.9**	**6.8**	**7.2**	**1.1**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

BUSINESS SERVICES & SUPPLIES



Clean-up companies are thriving. Other service firms may see a shakeout.

By Jason Zweig

WHILE THE SERVICE sector remains one of the great growth frontiers of American industry, in 1989 signs of weakness began to appear. The industry is still growing, but at slower rates: Sales growth was off 38% from 1988, while earnings growth slipped 21%.

In the office products market, weak equipment sales hurt companies like Nashua and Savin. At Xerox, earnings were off 35%, and the outlook for this year is for only a slight improvement of 5%.

Meanwhile, such industrial services firms as Ogden Corp., JWP Inc. and Rollins Inc. may soon need to slow the breakneck pace of their acquisition campaigns. It looks like new fields for growth are getting scarce for these companies that do everything from killing termites to supplying food to airlines. Sustaining the health of previous acquisitions will not be easy.

Take JWP. Since 1986 the $1.5 billion (revenues) service conglomerate has stuffed itself with a smorgasbord of small businesses acquired at a total cost of nearly $200 million. Today JWP maintains the printing presses of the *New York Times,* manufactures pollution control equipment, services the air-conditioning system at the Phoenician Hotel in Phoenix, generates electricity from methane at landfills, maintains telecommunications at the New York Stock Exchange and runs New York State's largest water utility. JWP's earnings grew 29% this year—pretty good, but an ominous drop from JWP's five-year average earnings growth of 50%.

KELLY GIRLS AND KELLY GRANDMAS

Eric Smith

Kelly Services' Terence Adderley

Over the past decade, Michigan-based Kelly Services Inc., the nation's largest temporary employment agency, grew explosively. During the 1980s the company's annual sales tripled, to $1.4 billion, and earnings nearly quintupled, to $70 million.

No one expects the next decade to be as sensational as the last. But, says Kelly Chief Executive Terence Adderley, the 1990s will see a "continuing, worsening shortage of skilled labor." And that's why Kelly's prospects are so good.

The U.S. Bureau of Labor Statistics estimates that employment will grow faster in the personnel supply business than anywhere else in the service industry over the next decade. While total U.S. job growth will average 1.2% a year, the number of workers supplied through personnel agencies should grow 4.1% a year, nearly doubling to 2.2 million by the end of the century.

Businesses are already having a hard time finding skilled workers, and in-house training can turn into a nightmare of expense and time. Thus, employers are likely to turn increasingly to Kelly, which already trains 6,000 temporaries a week in word processing, clerical skills and marketing techniques.

As computers proliferate in offices, Adderley is signing agreements with software producers that give his trainers an exclusive advance look at new programs. The goal: When software products hit the market, Kelly's temps will already know how to use them.

As more Americans live longer, Kelly is building a reserve of temps over age 55 and returning these experienced workers to an economy crying out for just such people. Adderley estimates that this division of Kelly, called Encore, has grown by 50% over the past two years.

As in the 1980s, temporary help will continue to be an important tool for management. With temps, businesses can convert fixed overhead into flexible costs that can be swiftly cut. And Kelly's client firms need not interview or train temps, cover their benefits, keep their records or pay them severance.

Look for Kelly's business to double over the next decade, through good times and bad. As the saying goes, there's nothing so permanent as the temporary.—J.Z.

As competition heats up, more service companies will have to retreat to their specialties—or develop new strengths. CRSS Inc., the engineering firm, sold its environmental consulting division and beefed up its power cogeneration unit. Newly challenged by IBM in computer leasing, Comdisco is moving into disaster recovery services—backup computers that protect data against power loss or acts of God. And the employment agency CDI, which offers temporary workers with technical training, is supplying fewer temps to the waning defense industry and more to the petrochemical business.

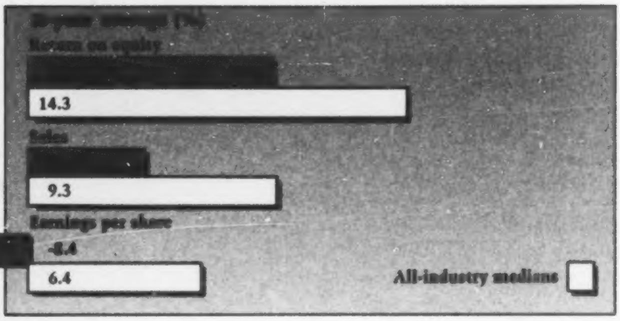
Garbage has joined death and taxes as an inevitable fact of life. Guesstimates of the market for waste management and pollution control stretch as high as $800 billion to be spent over the next ten years or so. Several new cleanup firms go public every month, and even giants like Westinghouse and Du Pont are piling into the business. But dominant, well-focused firms such as Waste Management, Browning-Ferris and Safety-Kleen look like the strongest finishers. ■

Business services & supplies	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Business services													
Rollins	47.2ª	56.7	37.8	26.3	0.0	5.2ª	8.3	5.3	15.9ª	11.0	–6.7	396	23
Kelly Services	28.9	31.7	29.9	29.9	0.0	16.5	18.5	7.1	18.1	26.9	15.9	1,348	69
Olsten	22.1	24.5	24.9	15.7	38.1	23.7	27.3	16.9	19.2	32.3	17.4	576	19
PHH	16.7	13.0	14.7	7.3	63.0	25.0	26.2	7.6	7.1	–9.2	130.3	1,812	52
Wackenhut	13.6	12.4	17.7	7.7	51.6	11.4	10.8	9.3	4.0	NM	–4.8	444	5
American Building	10.5	8.8	13.3	12.0	21.2	12.0	12.2	10.6	NM	–6.8	30.1	626	8
Volt Info Sciences	8.4	0.7	3.5	5.8	51.0	16.0	7.1	3.0	NM	NM	D-P	470	3
Adia Services	NA	22.0	14.4	14.1	4.7	29.1ª	30.0	21.2	NA	35.0	17.2	580	21
Medians	16.7	17.5	16.2	13.0	29.6	16.3	15.3	8.4	7.1	2.1	17.3		
Business supplies													
Deluxe	32.1	32.9	26.3	24.6	1.6	13.2	13.4	16.5	18.4	16.2	6.1	1,292	149
Comdisco	25.6	18.9	23.6	24.9	42.0	22.3	23.4	31.0	20.3	NM	500+	1,678	108
National Education	22.9	22.9	9.7	7.8	24.8	27.0	25.5	1.1	9.8	NM	7.0	435	18
HON Industries	21.8	23.5	32.9	24.3	20.8	13.1	9.4	8.1	8.9	20.4	109.7	580	47
Herman Miller	21.7	21.3	15.7	12.5	22.8	17.5	16.1	7.5	17.5	14.4	–7.2	799	40
Pitney Bowes	20.6	22.0	20.1	10.7	41.2	11.5	10.4	8.6	13.7	19.7	9.1	2,855	256
Minn Mining & Mfg	20.2	20.7	22.4	20.2	6.3	7.4	8.1	11.9	5.4	11.6	13.9	11,615	1,224
United Stationers	19.0ᵇ	17.0	16.3	12.0	29.5	24.0ª	21.6	13.2	18.5ª	12.3	6.7	969	25
Wallace Computer Svcs	18.5	17.5	17.4	15.0	7.2	14.5	12.5	12.0	13.7	12.2	15.4	429	37
Standard Register	17.6	17.1	13.5	11.5	13.4	11.8	14.6	6.5	14.0	11.1	3.1	708	39
Alco Standard	15.7	15.8	28.5	21.0	22.1	9.6	5.5	8.8	4.3	10.8	71.2	4,146	173
Avery International	15.6	14.8	16.6	12.1	27.3	12.1	15.3	9.5	10.5	6.1	73.0	1,699	84
Diebold	15.5	11.4	9.6	9.2	1.1	5.2	NM	1.3	9.8	–9.7	1.2	459	34
Moore Corp	15.1	14.9	15.7	14.0	2.6	5.2	6.1	6.6	4.4	9.5	19.8	2,657	203
Reynolds & Reynolds	14.9	14.5	23.8	10.5	29.4	14.5	20.5	0.3	6.9	5.0	50.6	602	27
Esselte Business Sys	13.4ª	14.5	12.2	10.0	25.0	14.4ª	22.6	2.0	23.2ᵇ	19.1	–3.5	1,413	57
Dennison Mfg	13.2	13.0	13.2	11.4	16.7	5.8	2.5	8.3	NM	NM	5.3	767	38
Anacomp	12.8	32.3	9.5	6.9	74.0	25.4	22.2	36.0	NM	NM	–65.8	559	12
Nashua	10.9	14.8	9.6	9.1	14.0	4.4	12.3	–1.3	NM	25.2	–28.5	963	22
Xerox	9.9	8.7	7.1	7.6	48.3	10.0	9.1	5.6	–6.1	NM	–35.4	17,362	415
Savin	def	def	def	def	53.0	NM	–2.6	1.0	NM	NM	D-D	362	–49
AM International	NA	defᵈ	12.5	11.1	28.8	NM	12.2	3.6	NA	NM	D-P	851	31
Medians	15.7	16.4	15.7	11.4	23.8	11.9	12.4	7.8	9.8	10.1	6.8		
Industrial services													
Safety-Kleen	26.1	24.5	20.8	15.4	26.9	18.0	20.8	17.1	22.0	20.0	18.4	457	45
CDI	24.8	26.3	24.6	16.2	38.3	14.9	17.9	24.3	21.6	22.2	30.2	855	20
Browning-Ferris Inds	22.9	23.9	24.7	16.5	38.7	17.7	19.2	23.4	20.5	20.4	15.2	2,551	263
Waste Management	22.7	23.5	23.8	15.7	31.9	26.4	27.8	26.4	24.9	28.3	23.8	4,237	534
Ecolab	21.2	25.9	8.5	8.2	38.5	8.5	20.5	8.3	10.3	20.8	–6.3	1,277	37
Figgie Intl	16.1	17.1	17.3	11.1	39.4	5.1	12.5	18.5	12.3	23.4	5.8	1,340	66
Millipore	15.6	16.1	14.4	12.0	21.1	15.8	16.5	8.3	11.4	19.5	–1.6	656	53
Ogden	14.2	15.8	17.5	5.9	76.7	–9.5	–13.7	29.7	–4.0	NM	39.1	1,302	75
CRS	6.0	1.4	21.2	21.3	0.9	30.9	17.6	9.0	NM	12.3	87.8	601	16
JWP	NA	23.4	23.2	12.5	52.8	39.6	82.4	87.1	NM	49.9	29.1	1,497	35
VWR	NA	16.3ᵈ	11.6	8.8	42.4	NA	10.3	–0.8	NA	17.4ᶜ	1.9	590	9
Medians	21.2	23.4	20.8	12.5	38.5	16.8	17.9	18.5	11.8	20.4	18.4		
Industry medians	16.7	17.1	16.6	12.0	27.3	13.8	14.6	8.6	10.0	12.2	15.2		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CAPITAL GOODS



For many heavy equipment makers, the good times are gone.

By Alyssa A. Lappen

CAPITAL GOODS WERE a mixed bag in 1989 and will be again in 1990. Many machinery makers saw business turn downward last year as the pace of U.S. manufacturing and construction began to slow. Don't expect to see any dramatic recoveries soon. "In 1990 we are going to have some earnings problems," says Eli Lustgarten, a machinery analyst with PaineWebber. "The automotive sector is in the tank, and the truck sector also appears to be recessionary. Companies serving those markets are going to feel the effects."

Perhaps the biggest troubles are at companies directly affected by the slowdown in orders for abrasives, hydraulic pumps and other equipment used in manufacturing. Thus, profits were squeezed at Cincinnati Milacron, one of the nation's largest machine tool makers, as well as at Trinova, the Maumee, Ohio-based company that supplies the auto and

Capital goods	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Electrical equipment													
Emerson Electric	19.7	19.2	21.0	18.9	17.3	10.8	13.6	6.3	8.0	8.2	13.9	7,071	588
Westinghouse	19.2	22.2	22.3	12.5	46.2	5.4	3.9	5.7	8.6	15.5	–3.4	12,841	859
General Electric	18.7	18.0	20.4	13.3	39.2	8.3	12.8	10.1	8.7	7.2	33.1	53,935	3,777
Hubbell	18.3	19.1	20.5	18.3	1.8	7.1	7.7	7.1	10.8	15.0	10.7	649	78
National Service	17.9	17.1	16.9	14.0	2.9	8.5	8.2	8.9	10.0	8.6	9.7	1,540	95
Square D	17.6	17.2	18.6	13.1	13.7	7.6	6.3	3.4	2.9	11.1	11.4	1,664	117
WW Grainger	16.6	16.8	17.6	16.1	0.8	8.5	10.5	11.7	9.4	15.1	7.6	1,663	113
Raychem	15.7	17.1	5.0	4.6	3.6	13.6	13.8	–1.3	9.9	26.9	–70.0	1,090	35
AVX Corp	6.5	6.8	6.4	6.1	35.4	15.7	16.2	1.3	5.2	NM	–45.2	402	14
Genlyte Group	NA	NA	32.9	10.5	79.5	NA	10.0	5.2	NA	12.8	–7.1	506	12
Imo Industries	NA	6.6	10.7	8.5	48.9	NA	7.6	29.2	NA	9.9	12.9	766	32
MagneTek	NA	61.8^c	34.5	11.5	77.0	NA	53.4^c	6.2	NA	NM	10.9	972	22
MLX	NA	def^c	1.1	8.1	79.5	NA	NM	10.4	NA	NM	NA	455	†
Medians	**17.9**	**17.1**	**18.6**	**12.5**	**35.4**	**8.5**	**10.0**	**6.3**	**8.7**	**9.9**	**10.2**		
Heavy equipment													
Nacco Industries	20.2	21.4	17.9	12.7	76.7	6.4	5.5	72.6	18.5	16.8	3.8	951	44
Dover	19.8	18.5	19.9	18.3	3.6	12.1	11.9	10.5	9.4	11.7	6.6	2,083	145
Illinois Tool Works	18.8	19.6	20.8	16.7	27.5	17.6	34.6	11.1	11.0	23.7	16.2	2,103	157
Goulds Pumps	15.8	13.9	13.3	10.8	23.7	7.6	10.5	12.8	NM	3.9	10.3	497	26
LB Foster	15.6	17.2	7.5	7.6	10.7	–2.9	NM	–1.6	–7.4	NM	–63.5	246	4
Stanley Works	15.1	15.7	15.8	13.0	35.5	8.7	14.4	3.4	6.9	10.7	15.2	1,946	115
Tecumseh Products	13.9	12.9	13.3	12.5	2.5	2.4	4.5	33.0	3.7	3.1	16.6	1,421	82
Parker Hannifin	13.8	13.8	11.4	9.5	31.5	16.8	15.8	7.9	3.5	16.4	–9.3	2,535	100
Trinova	12.8	15.5	5.4	5.3	22.8	5.7	6.1	5.9	13.3	16.5	–56.1	1,963	37
Lincoln Electric	12.6	13.3	15.7	13.1	6.3	NM	11.0	32.2	NM	20.4	7.5	654	36
Cooper Industries	12.3	12.0	14.1	10.4	45.5	13.7	18.7	19.6	NM	24.6	21.2	4,872	253
Zurn Industries	12.1	11.3	12.8	11.9	7.3	2.8	6.7	32.6	NM	11.8	28.6	556	27
Interlake	11.8	14.4	4.8	6.3	135.9	–2.4	NM	7.6	12.0	13.2	–72.2	936	13
Thermo Electron	9.7	11.6	12.4	9.1	42.0	14.6	21.2	27.2	10.5	25.6	19.4	572	23
Foster Wheeler	9.2	5.2	7.0	6.3	36.0	–3.9	–5.9	13.6	–7.7	–24.0	345.0	1,223	31
Kennametal	9.2	9.5	15.6	12.3	20.5	4.1	7.6	13.4	–4.2	NM	19.0	496	30
General Signal	8.9	6.2	15.3	8.6	43.7	3.4	NM	10.8	–9.0	–18.4	303.3	1,904	77
Trinity Industries	8.6	7.4	19.6	9.7	55.5	4.7	18.5	58.3	NM	NM	110.3	1,217	45
Ingersoll-Rand	8.2	10.5	15.1	11.9	16.6	NM	4.9	14.2	NM	26.0^c	33.7	3,369	196
Bearings	8.2	7.5	14.5	13.8	0.0	7.5	7.1	14.6	–6.2	NM	26.0	643	19

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

defense industries. Parker Hannifin profits were off, too.

Caterpillar, the nation's largest manufacturer of earthmoving equipment, felt the effects of weaker housing and construction markets. Its earnings dropped 6% for the 12 months ended Sept. 30, even though its sales rose 10%.

But not all the news for capital goods companies is bad. Earnings shot up 345% at Foster Wheeler, partly as a result of selling off some moneylosing operations. But Foster is also a big player in Europe, where orders from pharmaceutical and chemical plants and overseas oil production facilities remain heavy. General Signal, which makes instruments and control technology for a broad range of industries, showed similarly spectacular results. Look for continued progress in that turnaround situation.

Suppliers of agricultural equipment fared well, thanks to falling interest rates, rising commodity prices and a robust recovery from last year's drought. Deere & Co., the world's largest producer of farm equipment, could stand to benefit more than others. Another beneficiary will be Tenneco's farm and construction machinery business; Tenneco gets an added boost from higher demand for natural gas transported through its pipeline.

In electrical equipment, earnings should grow again this year. One trend to watch: stepped-up campaigns to boost foreign sales. General Electric, for example, is buying a 50% stake in Tungsram, a Hungarian lighting firm. And Westinghouse Electric is negotiating to expand its transport-refrigeration business into the Soviet Union.

This year and beyond, expect electrical equipment makers to surpass many other types of capital goods companies. ■

"KEEP OUR POWDER DRY"

In the cyclical capital goods market Emerson Electric is a standout. The St. Louis-based company earned better than 18% on equity almost every year in the Eighties, all the while keeping its debt at a trim 11% of capital. But what makes Emerson a great company for the 1990s is its commitment to developing new products and to expanding overseas with its lines of motors, switches and electric tools.

To counter the growing share that imports were taking in Emerson's markets, Chief Executive Charles Knight, 53, embarked on a tough campaign to improve quality, cut costs and ensure that Emerson became the number one or number two player in all its markets.

Knight closed 50 plants and sold several disappointing businesses, including a lighting company and a division that serviced large industrial motors. He also expanded good businesses at home and overseas. In 1987 Emerson bought Liebert Corp. to raise market share in backup power supply units for computers. Last year Emerson sold five electronics businesses to Britain's Astec Plc., a European market leader in electronic components and power supplies, in exchange for 45% of that firm. Emerson will now pay $595 million for Leroy-Somer, a French motor firm, and McGill Manufacturing, a U.S. maker of bearings and electrical items.

John Moore

Charles Knight of Emerson Electric

Emerson has spent heavily on research and engineering. Such spending has grown 50% faster than Emerson's sales over the past five years, reaching $218 million last year. The result: Some 20% of Emerson's sales today come from products developed since 1985. Another plus: Many of these products were designed for both the domestic and international markets, helping Emerson increase its foreign sales to 30% of total revenues, up from 25% in 1987.

Don't be surprised if Chuck Knight makes a few more acquisitions. That is one reason Emerson has $113 million in cash on hand and such a light debt load. Says Knight, "We like to keep our powder dry."—A.A.L.

Capital goods	Profitability					Growth						Sales	Net income
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Tenneco	8.2	6.2	28.2	12.8	52.5	3.2	–1.4	1.4	–6.8	NM	500+	13,794	977
Stewart & Stevenson	6.8	10.6	26.7	20.0	25.8	NM	12.9	42.8	NM	NM	63.3	560	27
Norton	5.6	5.6	16.0	13.2	19.3	1.5	3.4	7.1	NM	NM	10.5	1,501	93
Caterpillar	5.3	9.0	13.5	10.9	32.2	NM	12.1	10.1	–10.1	60.4[d]	–6.5	11,026	553
Deere & Co	2.6	1.9	14.5	12.6	26.7	NM	3.4	15.0	–12.0	NM	38.6	5,979	358
Allied Products	2.1	4.6	def	4.7	46.7	5.7	22.5	8.5	NM	NM	D-D	597	3
Timken	2.0	0.9	9.1	8.2	6.5	NM	8.0	9.3	–15.2	NM	77.3	1,616	90
Cross & Trecker	1.2	def	def	def	21.6	4.2	20.7	6.7	NM	NM	D-D	457	–47
Combustion Eng	0.8	def	def	def	31.8	NM	NM	6.5	NM	NM	D-D	3,682	–133
Cincinnati Milacron	0.3	def	8.9	7.9	41.2	NM	8.9	–1.9	–9.7	NM	D-P	845	20
Harnischfeger Inds	def	2.4	10.1	12.0	12.0	5.8	31.4	17.8	NM	NM	44.4	1,358	47
Foxboro	def	def	7.5	8.1	29.2	1.6	NM	13.5	–17.4	NM	D-P	593	15
Clark Equipment	def	def	12.1	11.5	26.0	–3.9	10.5	11.6	–14.5	NM	172.4	1,360	57
Ampco-Pittsburgh	def	def	def	0.7	29.3	NM	NM	–7.0	NM	NM	D-D	231	–3
McDermott Intl	def	def	def	def	51.8	–3.4	–6.0	17.4	NM	NM	D-D	2,704	–100
Eagle-Picher Inds	def	def	NE	def	NE	3.0	5.6	1.1	NM	NM	P-D	757	–454
Varity	def	0.2[d]	18.6	14.1	32.5	–6.3	8.6	1.7	NM	NM	Z-P	2,208	76
Ametek	NA	19.8[c]	19.7	11.9	46.1	NA	13.5[c]	10.4	NA	5.0[c]	–13.8	562	36
Crane	NA	16.0	15.5	11.0	28.0	NA	15.6	31.0	NA	19.4[c]	–6.3	1,452	42
Sudbury	NA	34.0[c]	def	def	68.7	NA	78.8[c]	–5.5	NA	54.8[c]	P-D	514	–13
Medians	**8.2**	**9.2**	**13.3**	**10.8**	**28.6**	**2.8**	**8.3**	**11.0**	**–14.5**	**NM**	**15.7**		
Industry medians	**9.2**	**10.9**	**14.1**	**11.0**	**29.2**	**4.2**	**8.6**	**10.1**	**–8.4**	**3.9**	**10.8**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

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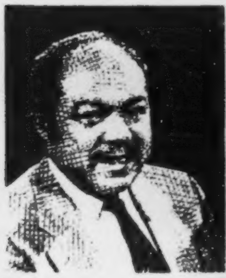
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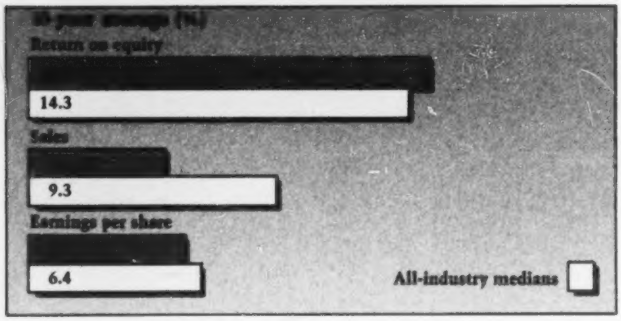


Despite some slowing, the chemical industry remains a significant export performer.

By Philip Glouchevitch

EARLY LAST YEAR commodity chemical makers were still riding a boom that began in 1988. But it began to fizzle about midway through 1989, thanks to a stronger dollar. Profits at big chemical companies rose some 15% last year, modest when compared with gains of more than 40% in 1988. The prognostications for this year range from falling earnings to limited earnings growth. Even the ethylene plant explosions at Quantum in June and Phillips in October, which together removed around 10% of total polyethylene production, have allowed manufacturers to boost prices only temporarily.

There is a silver lining. Declining prices for feedstock commodity chemicals often buoy specialty chemical makers. Many enjoyed nice margins throughout 1989—the specialty chemical industry's return on equity was 18.5%. They appear to be "recession resistant," according to Drexel Burnham Lambert's Katharine Plourde. Demand is strongest for chemicals used in water and paper treatment.

As in many other American industries, takeovers by foreign companies affected chemical companies in 1989. France's Elf Aquitaine bought Pennwalt for $1 billion, while West Germany's Henkel purchased Quantum Chemical's Emery oleochemical division for $480 million. The biggest

Chemicals	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Diversified													
Valspar	**20.8**	21.4	22.1	16.2	25.8	**18.8**	24.0	3.5	**20.1**	14.9	16.6	501	22
Union Carbide	**19.4**	28.8	36.8	16.2	40.6	**–2.2**	–4.7	9.6	**NM**	NM	26.9	8,798	687
A Schulman	**18.8**	20.4	21.4	19.5	5.4	**9.2**	16.9	4.5	**18.1**	21.5	11.7	624	31
Dow Chemical	**18.0**	24.4	37.6	25.6	28.0	**5.7**	7.5	10.4	**9.0**	46.5	32.1	17,635	2,695
Rohm & Haas	**17.3**	18.8	16.4	13.5	20.4	**5.3**	5.1	6.5	**14.1**	12.3	–11.9	2,632	197
Hercules	**17.0**	19.7	6.6	5.8	20.6	**2.3**	1.3	12.3	**6.7**	NM	–13.0	3,067	137
Quantum Chemical	**16.7**	23.6	NE	44.3	97.8	**5.0**	3.9	–0.2	**7.1**	56.4	6.6	2,851	327
American Cyanamid	**12.9**	14.2	15.9	13.2	16.8	**3.7**	4.7	5.8	**5.9**	15.0	8.3	4,775	327
EI du Pont de Nemours	**12.7**	13.3	16.4	11.9	14.3	**11.4**	1.6	8.4	**3.7**	13.0	19.1	34,945	2,497
Monsanto	**10.3**	11.1	17.0	12.4	23.2	**3.2**	5.3	3.6	**7.0**	NM	14.3	8,555	634
FMC	**9.5**	7.3	NE	20.4	101.3	**NM**	–1.6	6.5	**16.7**	59.7	51.9	3,474	160
Olin	**7.2**	8.2	16.6	11.2	38.2	**1.7**	1.9	15.7	**5.8**	NM	26.8	2,532	114
BF Goodrich	**2.4**	5.4	15.0	13.9	11.5	**–1.9**	–8.2	4.1	**NM**	NM	6.7	2,464	183
Aristech Chemical	**NA**	NA	25.0	20.0	29.5	**NA**	6.6	–1.6	**NA**	110.2^d	–27.7	1,032	102
Univar	**NA**	13.7	17.4	11.7	49.4	**NA**	22.8	11.3	**NA**	14.9	35.5	1,358	20
Medians	**16.7**	**16.5**	**16.6**	**13.9**	**25.8**	**3.7**	**4.7**	**6.5**	**7.0**	**14.9**	**14.3**		
Specialized													
Chemed	**25.1**	23.8	16.9	13.6	35.8	**4.3**	12.0	30.5	**6.4**	NM	6.3	592	25
Betz Laboratories	**22.0**	21.2	23.4	21.5	29.8	**10.0**	10.1	16.5	**8.6**	6.9	16.7	503	55
Freeport-McMoRan	**21.3**	24.4	18.4	12.7	57.1	**NA**	15.8	10.7	**NM**	22.3	–38.0	2,040	184
Nalco Chemical	**21.1**	20.6	23.5	18.9	2.2	**5.4**	8.5	9.0	**5.4**	6.1	14.6	1,050	115
Intl Flavors & Frags	**20.1**	19.9	19.8	19.2	0.0	**7.3**	13.9	2.9	**6.7**	13.4	8.7	862	137
Great Lakes Chemical	**20.0**	21.6	24.7	26.0	17.1	**18.9**	19.5	28.9	**18.5**	23.5	27.0	708	119
Loctite	**18.7**	20.2	26.2	23.3	13.8	**9.5**	13.5	8.3	**6.9**	18.0	27.1	465	57
Lubrizol	**16.3**	16.5	23.0	20.4	7.2	**4.4**	7.0	12.1	**NM**	13.5	123.3	1,225	153
HB Fuller	**15.3**	15.2	8.6	7.0	29.7	**11.2**	10.2	13.3	**11.3**	13.1	–33.9	745	15
Dexter	**15.0**	14.2	14.1	11.8	18.5	**6.9**	7.8	2.3	**4.3**	5.8	15.2	844	43
Witco	**14.7**	13.9	13.8	10.6	25.9	**5.7**	1.3	1.4	**5.9**	3.5	28.6	1,592	84
NCH	**13.2**	13.9	19.7	18.2	8.3	**5.9**	9.3	13.5	**NM**	18.9	18.9	584	37
Air Prods & Chems	**13.2**	12.9	17.4	11.4	28.0	**7.4**	8.0	8.6	**8.1**	14.5	3.6	2,642	222
Ferro	**11.7**	13.4	15.8	14.5	13.7	**4.8**	10.1	9.5	**NM**	21.5	5.4	1,074	49
Cabot	**9.9**	7.3	2.4	3.9	39.6	**4.5**	NM	15.5	**NM**	NM	–75.8	1,937	18
DeSoto	**9.3**	7.5	def	def	33.6	**2.5**	2.1	5.6	**NM**	–22.9	P-D	404	–9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

acquisition by a U.S. company was Dow's $2.2 billion purchase of 51% of Marion Laboratories. In an attempt to enhance shareholder value, Quantum, Rexene and Vista all underwent financial restructurings, the first two paying out special dividends funded by debt. Also noteworthy: Union Carbide put the industry's worst accident behind it, settling the Bhopal litigation claims for $470 million.

As the market looks with disfavor at cyclical chemical stocks, many firms are launching share-repurchase programs—Dow Chemical, International Minerals & Chemical, Monsanto, Nalco, PPG, H.B. Fuller, Dexter, Betz and, for the first time in recent memory, industry leader Du Pont.

Despite the downturn in demand for commodity chemicals, the U.S. chemical industry as a whole remains strong, as reflected in its continuing positive trade balance, estimated at over $16 billion for 1989. More important, the current accounts balance in chemicals, which in addition to trade includes dividends and investment income from foreign subsidiaries, stands at over $20 billion. As Allen Lenz, chief trade economist for the Chemical Manufacturers Association, puts it, "U.S. chemical companies are well positioned abroad and have the technology to withstand foreign competition." ■

Chemicals	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
WR Grace	6.6	4.7	15.9	11.3	54.4	NM	–5.3	11.2	–3.1	7.8	23.8	6,047	247
Intl Minerals & Chem	5.1	1.7	10.9	7.9	43.3	NM	NM	–14.8	–12.2	–16.0	7.2	1,077	96
Great American Mgmt	2.5a	0.3	0.3	8.6	78.6	39.9	95.6	33.9	NM	NM	–92.7	1,638	2
MA Hanna	def	0.6	19.6	16.1	25.2	NM	38.6	8.3	NM	NM	–0.2	1,079	84
Ethyl	NA	17.9	25.1	14.0	26.9	NA	9.1c	19.5	NA	25.9c	14.3	2,365	212
Georgia Gulf	NA	82.3d	74.7	62.4	0.2	NA	14.5	17.0	NA	89.5d	28.6	1,145	205
Himont	NA	30.9	18.6	17.0	3.7	NA	16.6c	7.3	NA	37.9c	–26.9	1,668	263
IMC Fertilizer Group	NA	NA	23.5	15.7	39.0	NA	NM	12.5	NA	NA	35.8	1,222	137
Lyondell Petrochem	NA	NA	0.0	94.2	93.4	NA	NM	10.5	NA	NA	NA	5,157	467
Morton International	NA	19.2c	10.6	10.0	4.3	NA	5.8c	11.7	NA	NM	–25.7	1,440	90
NL Industries	NA	NA	125.5	43.1	55.2	NA	21.3c	1.5	NA	48.0c	60.5	997	182
Rexene	NA	NA	0.0	22.4	115.1	NA	7.0	–4.1	NA	NA	NA	655	58
Sterling Chemicals	NA	NA	162.3	72.1	19.6	NA	NA	–2.9	NA	NA	–25.1	647	146
Vista Chemical	NA	38.4c	92.4	35.8	120.6	NA	7.1	–0.3	NA	NM	20.6	779	120
Medians	14.8	16.5	18.5	15.9	27.5	5.7	9.1	10.0	0.6	10.5	11.5		
Industry medians	15.0	16.5	17.4	15.7	26.9	5.1	7.3	8.6	5.9	13.1	14.3		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

THE RIGHT MOVE, EARLY

In a field of strong companies, Dow Chemical looks strongest for the coming decade. Diversification is the key. Over half of the company's sales are overseas, and of its 1,800 products, no single one accounted for more than 8% of last year's sales.

Back in 1986, Chairman Paul Oreffice moved Dow further into the specialty chemical business, backing away from commodity chemicals. Dow now gets nearly 40% of its earnings from specialty products, and analysts expect them to account for 50% of earnings by the early 1990s. The important thing is that by moving toward the specialty end of the business, Dow protected itself against a downturn in basic chemicals.

In another step toward more sophisticated products, Dow last August bought Marion Labs. Now the Marion Merrell Dow drug unit will be among the country's top five pharmaceutical companies, ranked by annual sales. Another promising move: Dow this year formed a joint venture with Eli Lilly to manufacture agricultural chemicals.

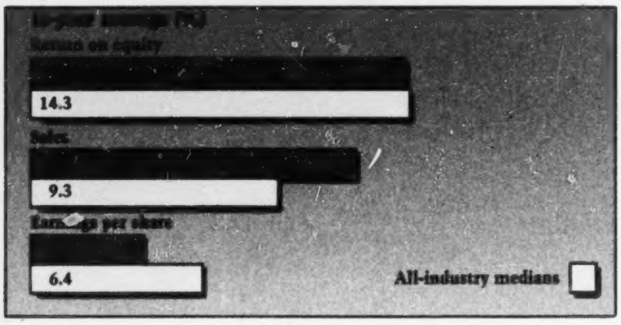
Taro Yamasaki

Dow's Frank Popoff

Dow's management is deep and experienced. The top six executives average 30 years with the company, and only three will reach the company's normal retirement age of 65 in the coming decade.

The 1990s are likely to bring continued pressure on chemical companies from environmental activists, but Chief Executive Frank Popoff is ready for the challenge. He publicly supports a strong Environmental Protection Agency as well as waste recycling by industry.—P.G.

COMPUTERS & COMMUNICATIONS



Good-bye, minicomputers. The new worry: what to do about memory chips?

By Julie Pitta

IN THE COMPUTER BUSINESS, 1989 may be remembered as the beginning of the end of the minicomputer. Nowhere were the effects felt more severely than outside Boston on Route 128, where minicomputer makers Wang Laboratories, Data General and Prime Computer incurred staggering losses.

Wang took the heaviest blow, a $424 million loss for fiscal 1989. Data General's loss reached $120 million, while Prime's was $129 million for the first nine months of its fiscal year. All three companies have been built on minicomputers, the midrange systems once favored as departmental computers by many large corporations. But as desktop computers become ever more powerful and less expensive when compared with midrange systems, the minicomputer faces obsolescence. Prime was acquired by venture capital firm J.H. Whitney in a leveraged buyout last August. Both Wang and Data General are likely acquisition candidates, too.

Minicomputer maker Digital Equipment Corp., also based near Boston, managed to avoid losses, but DEC's sales were sluggish as demand for its older mini systems grew soft. DEC is now attempting to diversify into workstations and main-

Computers & communications	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Hardware													
Apple Computer	**36.6**	31.6	43.2	36.2	0.0	**38.4**	28.5	29.8	**37.3**	41.6	14.6	5,284	454
Mark IV Industries	**29.0**	32.7	21.8	7.1	85.7	**40.6**	96.2	113.4	**35.1**	50.9	14.9	945	24
Cray Research	**28.9**	30.8	17.5	16.4	13.0	**39.5**	37.8	33.3	**39.4**	42.7	23.5	785	125
EG&G	**26.7**	25.1	21.2	19.6	2.4	**11.9**	7.8	20.8	**12.9**	5.6	6.8	1,614	69
Intergraph	**25.2**[a]	18.6	12.5	12.1	1.0	**39.4**[a]	23.2	6.5	**38.4**[a]	15.2	–5.2	831	81
Molex	**25.1**	23.4	14.8	14.2	1.3	**19.3**	21.0	9.1	**17.6**	16.1	–8.5	577	57
Premier Industrial	**21.7**	21.8	29.2	26.1	2.8	**8.1**	9.4	10.7	**13.5**	14.9	16.3	607	71
AMP	**20.7**	20.3	19.6	18.0	4.7	**11.3**	11.3	7.9	**9.2**	13.3	–1.8	2,812	297
IBM	**20.2**	17.1	14.0	11.3	17.9	**11.7**	7.6	9.3	**6.8**	–2.3	7.2	63,185	5,514
Thomas & Betts	**18.1**	18.5	17.6	15.7	9.6	**8.6**	12.3	7.5	**5.8**	12.0	–3.0	535	55
Hewlett-Packard	**17.0**	15.6	18.2	17.7	7.7	**17.4**	14.2	21.0	**15.2**	10.2	4.8	11,899	829
SCI Systems	**16.5**	15.1	4.3	4.7	61.5	**45.0**	24.9	23.8	**29.6**	15.6	–65.3	1,050	7
NCR	**16.4**	17.7	18.6	16.0	9.0	**8.0**	10.4	–0.6	**7.8**	13.8	–0.4	5,972	414
Prime Computer	**16.1**[a]	11.0	def	def	19.5	**24.6**[a]	22.0	8.9	**NM**	–12.5	P-D	1,558	–145
Marshall Industries	**15.7**	17.5	16.1	13.2	20.2	**21.5**	19.5	14.4	**21.8**[a]	22.3	–4.8	529	20
Northern Telecom	**15.4**	14.5	7.0	6.1	20.8	**13.3**	14.1	14.1	**NM**	NM	–47.8	5,852	191
Tandem Computers	**15.0**	13.8	13.1	12.7	4.8	**38.0**	25.4	24.2	**30.3**	23.5	21.9	1,633	118
Carlisle Cos	**15.0**	11.0	11.0	10.6	8.4	**7.1**	4.8	0.2	**NM**	–6.0	–9.1	562	21
Digital Equipment	**14.9**	16.3	12.6	12.7	1.6	**22.5**	20.8	8.8	**15.8**	34.7	–17.1	12,931	1,000
Analog Devices	**14.8**	12.1	11.4	10.5	3.6	**19.3**	12.5	7.9	**17.3**	NM	17.4	458	39
Amdahl	**14.3**	19.1	16.8	14.5	6.4	**19.5**	19.7	16.2	**14.9**	37.6	–14.2	2,021	175
Western Digital	**14.2**	22.1	6.5	6.8	33.0	**62.2**[a]	69.7	10.8	**NM**	NM	–58.4	970	19
Intel	**13.0**	14.5	16.4	14.7	14.9	**16.7**	15.7	8.8	**19.3**	NM	–34.1	2,959	354
Motorola	**12.2**	11.2	14.5	15.0	16.2	**13.0**	11.7	16.4	**NM**	NM	15.3	9,179	490
Wang Laboratories	**11.4**	3.2	def	def	35.4	**31.1**	13.2	–11.5	**NM**	–17.5	P-D	2,743	–500
Perkin-Elmer	**10.6**	7.9	def	def	5.1	**6.9**	3.0	–32.7	**3.8**	5.6	P-D	784	–24
Harris Corp	**10.3**	8.1	2.8	3.5	23.8	**9.3**	5.7	26.2	**–4.4**	NM	–59.5	2,506	26

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment

"WE'RE STILL A WORD-OF-MOUTH COMPANY"

Michael Abramson/Woodfin Camp

Apple Computer's John Sculley

Apple Computer ended the 1980s as the largest supplier of personal computers in the U.S. Not bad for a company whose first products were considered toys by serious computer users.

When the company's Macintosh personal computer was introduced in 1984, its very simplicity seemed to work against it. For example, an electronic mouse allowed users to "point and click" at clever command symbols—including a trash can to delete a file. But today good graphic commands are considered a must for desktop computers. Once-stodgy International Business Machines has developed its own graphic command symbols, working with Seattle software giant Microsoft. Even Sun Microsystems, a company that sells technical workstations to engineers and other sophisticated professionals, has altered its machines to make them easier to use.

Clearly, Apple's message carried the decade: A computer that is simple to use is likely to be used more often.

The company that began the 1980s as an innovator shows no signs of standing still in the 1990s. Apple's technical team won high marks with the recently introduced Macintosh portable, a machine that offers all of the features of the regular Mac and weighs in at 15 pounds. Users marvel at how well the Mac's graphics are replicated on the smaller screen.

Also, Apple has invested heavily in what is expected to be the next important area of technology: multimedia systems that combine video, text, graphics and sound to allow users to create their own sophisticated databases and presentations.

When Apple gets the prices for these new systems low enough, they will probably be bought by many of the same satisfied customers who purchased those first funny-looking Macintoshes in 1984.

"We're still a word-of-mouth company," says Chairman and Chief Executive John Sculley. "Our users are our number one sales force."—J.P.

Computers & communications	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**			**Earnings per share**			**latest 12 mos $mil**	**latest 12 mos $mil**
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**		
Bell Industries	10.1	7.3	4.9	5.2	15.0	11.1	11.1	–5.4	NM	NM	–50.8	410	6
Avnet	9.7	6.5	8.1	7.4	22.0	6.3	5.8	–0.1	–5.6	–12.4	12.4	1,865	59
Unisys	9.5	10.8	def	def	39.7	15.6	21.0	1.8	8.6	19.5	P-D	10,002	–455
Scientific-Atlanta	9.4	9.2	15.5	14.9	1.0	17.5	8.8	12.2	9.6	NM	27.3	567	38
Tektronix	8.4	4.4	1.7	13.0	18.1	7.8	2.7	0.9	NM	NM	D-P	1,426	10
M/A-Com	6.8	2.3	0.1	2.3	31.2	14.9	–11.1	4.0	NM	–8.6	–98.5	441	†
Varian Associates	6.7	4.7	7.4	6.6	10.9	9.8	6.6	14.8	5.0	–14.6	20.5	1,344	32
Penn Central	6.7	5.9	9.6	9.4	16.2	NM	–11.6	15.5	NM	–15.1[c]	123.5	1,725	168
Wyle Laboratories	5.9	6.1	6.6	6.5	24.3	6.0	5.7	3.1	–3.6	NM	–14.8	409	6
General Instrument	5.8	4.4	15.8	11.9	32.5	5.3	6.6	13.8	NM	NM	19.4	1,374	98
Teradyne	5.5	0.5	1.0	2.0	15.5	16.4	8.5	15.4	NM	NM	D-P	498	3
Data General	2.5	def	def	def	11.1	13.0	8.3	–3.7	NM	NM	D-D	1,314	–120
Zenith Electronics	2.5	def	def	def	37.3	9.9	13.8	–23.1	–10.7	NM	D-D	1,946	–27
Natl Semiconductor	1.4	def	def	def	5.7	14.0	11.3	–33.2	NM	NM	P-D	1,601	–15
TIE/Communications	def	def	def	def	4.3	28.0	–9.1	–5.2	NM	NM	D-D	238	–15
Control Data	def	def	def	def	38.3	2.4	NM	–7.7	–17.4	NM	P-D	3,344	–497
Arrow Electronics	def[a]	def	def	5.2	56.3	11.9[a]	6.0	2.2	NM	NM	D-D	928	2
Datapoint	def	def	def	def	37.5	4.5	–12.2	–5.5	NM	NM	D-D	313	–30
Storage Technology	def	def	12.4	9.9	53.0	6.2	NM	16.4	–22.2	NM	40.9	949	37
Advanced Micro	NA	def	def	1.1	15.0	NA	8.2	–6.4	NA	NM	P-D	1,067	†
AST Research	NA	38.1	def	def	39.3	NA	51.1	4.6	NA	33.9	P-D	463	–5
Atari	NA	NA	def	def	48.8	NA	51.0d	–29.7	NA	NM	P-D	406	–99
Compaq Computer	NA	42.0	38.7	32.5	21.4	NA	70.9	50.6	NA	91.5	53.5	2,756	346
Itel	NA	def	1.5	4.5	75.1	NA	66.6	32.3	NA	NM	–67.6	2,031	24
LPL Technologies	NA	11.6d	81.8	11.3	87.5	NA	35.3	8.3	NA	NA	408.6	610	28
MAI Basic Four	NA	45.2d	def	def	67.3	NA	9.0	–62.9	NA	84.4d	P-D	146	–33
Microamerica	NA	NA	10.1	10.1	35.1	NA	35.2	28.5	NA	NA	7.5	495	8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

frame computers, and may well succeed. The new strategy, however, has yet to boost the bottom line.

The woes of the minicomputer makers provided much of the drama in a year that saw even IBM struggle. By year-end IBM said it would reduce its work force by 10,000, restructure operations and take a $2.3 billion charge against fourth-quarter earnings. Analysts said the cuts weren't deep enough.

Though relatively strong sales growth is expected to continue for personal computers, it may be slowed by the U.S. semiconductor industry's inability to compete with the Japanese in memory components. U.S. Memories, the industry consortium created to combat Japan's dominance in an important segment of the memory chip market, has faltered from a lack of support from personal computer and workstation manufacturers. The market for dynamic random access memory (DRAM) chips, a vital building block for personal computers and workstations, accounts for the largest portion of semiconductor sales worldwide. Only Texas Instruments and Micron Technology, a small Boise, Idaho outfit, currently produce these memory chips for sale to others.

Among software companies, the best performers were those that help workstation users pull specific pieces of information from databases. One example is Oracle, whose profits rose 91% between 1988 and 1989. Microsoft, with its close relationship with IBM, continued to be a leader in PC software.

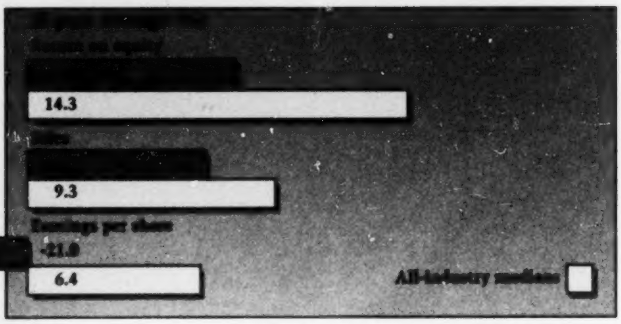
In telecommunications, the regional Bell operating companies were buoyed by further deregulation after a federal court allowed them to offer limited information services. ■

Computers & communications	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Micron Technology	NA	25.7	32.5	34.1	7.3	NM	55.0	48.6	NA	NM	–15.7	446	106
Seagate Technology	NA	30.3	17.1	11.2	36.2	NA	58.1	7.8	NM	36.2	500+	1,447	77
Softsel Computer Prod	NA	31.6c	24.8	16.6	46.0	NA	35.1	37.8	NA	NM	28.3	581	10
Sprague Technologies	NA	def	def	def	14.6	NA	NM	–1.3	NA	NM	P-D	485	–33
Sun Microsystems	NA	28.1	8.8	7.9	17.7	NA	125.6	53.4	NA	89.1	–41.5	1,915	45
Texas Instruments	NA	15.9	16.1	12.6	20.1	7.5	4.4	3.5	NA	NM	–7.2	6,355	351
Wyse Technology	NA	18.2	def	def	44.1	NA	57.4	–27.1	NA	NM	P-D	402	–41
Medians	**12.6**	**12.1**	**9.6**	**7.9**	**17.9**	**13.0**	**12.3**	**8.8**	**–3.6**	**–15.1**	**–9.1**		
Software													
General Motors EDS	37.9	41.8	30.1	20.9	16.5	38.3	51.0	13.3	34.9	45.7	10.2	5,238	419
First Financial Mgmt	22.3a	18.2	14.0	15.0	72.7	48.5	74.3	84.4	36.2	45.1	46.4	684	43
Automatic Data	19.0	19.0	20.1	16.2	20.8	17.7	15.7	6.4	15.9	18.6	14.6	1,685	190
Computer Sciences	15.8	14.6	14.1	13.4	20.9	12.2	14.1	18.8	8.4	17.6	15.3	1,419	55
Computer Associates	NA	26.6c	37.7	16.4	6.6	NA	43.8	48.7	NA	64.4	8.4	1,206	138
Lotus Development	NA	41.1	20.3	15.0	37.7	NA	48.7	9.9	NA	30.8	–28.5	518	48
Microsoft	NA	58.6	37.6	39.2	0.0	NA	60.1	29.8	NA	67.4	30.5	862	184
Oracle Systems	NA	50.0	44.2	42.0	12.8	NA	121.1	101.7	NA	132.5	85.7	669	86
Medians	**20.7**	**33.9**	**25.2**	**16.3**	**18.7**	**28.0**	**49.9**	**24.3**	**25.4**	**45.4**	**15.0**		
Telecommunications													
Alltel	15.6a	16.2	16.4	9.2	40.1	10.3a	9.9	20.0	6.7a	9.7	–14.2	1,176	133
Centel	15.5	14.4	24.8	9.9	48.1	6.9	NM	–19.6	4.3	2.4	75.2	1,054	240
Cincinnati Bell	14.9	16.2	16.8	9.6	29.8	9.4	11.5	20.8	7.4	13.9	4.9	868	89
Rochester Telephone	14.3	13.8	15.1	8.6	30.5	12.0	9.3	13.9	4.2	NM	22.3	531	52
Contel	14.3	13.8	16.0	8.4	43.7	12.8	7.1	14.0	NM	NM	92.7	3,132	253
So N England Telecom	13.7	13.9	16.3	9.5	32.5	8.9	5.8	7.4	5.9	4.9	23.1	1,671	188
United Telecom	13.0	13.2	34.2	14.2	52.4	11.4	14.8	134.0	NM	NM	304.6	7,286	641
GTE	12.8	12.7	15.9	8.2	40.2	6.6	3.9	5.4	3.7	NM	10.0	17,109	1,352
MCI Communications	12.8a	6.2	56.2	17.9	51.5	42.7	25.9	30.5	NM	NM	144.0	6,192	592
Western Union	def	def	NE	def	382.9	2.2	–5.9	–25.0	NM	NM	D-D	661	–262
American Tel & Tel	NA	2.5	def	def	34.8	NA	0.8c	5.0	NA	NM	P-D	36,167	–1,350
Ameritech	NA	15.8	15.5	9.1	30.8	NA	4.1c	2.7	NA	7.6c	–1.0	10,112	1,216
Bell Atlantic	NA	14.8	14.9	8.7	35.0	NA	7.8c	4.6	NA	7.4c	6.1	11,330	1,375
BellSouth	NA	14.7	13.6	8.4	28.1	NA	8.9c	6.6	NA	5.3c	0.6	13,958	1,645
Communications Trans	NA	NA	def	def	77.1	NA	74.5	108.6	NA	NA	D-D	413	–30
Nynex	NA	14.3	12.6	8.2	32.0	NA	7.6c	4.5	NA	7.1c	–6.6	13,086	1,194
Pacific Telesis	NA	14.1	14.6	8.6	30.8	NA	4.7c	0.5	NA	5.6c	9.7	9,546	1,169
Southwestern Bell	NA	13.4	13.0	8.0	27.8	NA	3.4c	2.1	NA	3.7c	10.2	8,593	1,101
Telecom-USA	NA	9.8c	19.9	15.8	35.8	NA	47.5c	35.1	NA	NM	30.5	659	35
US West	NA	14.3	13.3	7.5	33.9	NA	5.7c	5.1	NA	6.9c	–6.3	9,500	1,038
Medians	**14.0**	**13.9**	**15.3**	**8.6**	**34.9**	**9.8**	**7.3**	**6.0**	**3.9**	**3.7**	**7.9**		
Industry medians	**14.2**	**14.3**	**13.6**	**9.2**	**23.8**	**12.1**	**11.5**	**8.8**	**4.2**	**–4.1**	**–1.0**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CONSTRUCTION



Look for stable growth in the 1990s, with housing the brightest star.

By Claire Poole

LAST YEAR WAS BLEAK for the construction industry, but cyclicality is the nature of this beast, and the cycle will eventually turn—perhaps soon. According to McGraw-Hill's Construction Information Group, total contruction contracts are expected to grow 5%, to $274 billion, in 1990. This would be the first advance since 1987.

Home building could fuel the fire. After a dismal year of heavy rainfall in the Northeast and natural disasters such as Hurricane Hugo in the Southeast, housing starts should reach 1.5 million in 1990—up 8% over 1989. While that's still down 16% from the 1986 peak, experts predict strong demand if interest rates continue to cool. That could bring an even stronger uptick in home building as early as 1991.

Single-family-home starts look the healthiest. They fell 3% last year, to 975,000 units, but are expected to grow 10% this year. Younger baby boomers, who have delayed buying homes because of high mortgage rates, could add some growth; meanwhile, older buyers may buoy the market for larger, move-up homes.

In commercial construction, the outlook isn't as bright. Office building and store contracts should both be down 8% in 1990. But with vacancies falling (office vacancy is now at 18%, down from a high of 21%), the commercial market should stabilize in the early to mid-1990s.

With capital spending slack, heavy construction contracts

Construction	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Commercial builders													
Rouse	22.1	21.2	16.3	5.6	91.3	17.2	21.2	9.5	14.3	NM	–25.8	483	14
Apogee Enterprises	18.2	17.4	16.6	11.8	36.4	18.3	17.1	41.3	12.7	21.3	14.3	518	14
Blount	17.8	18.0	47.8	26.0	36.0	10.4	8.3	–27.1	NM	NM	500+	915	68
Centex	11.9	11.3	13.3	9.0	22.1	6.8	8.9	19.5	8.3	NM	89.2	1,946	54
Turner Corp	10.6	1.5	1.8	6.8	45.5	9.6	14.6	13.2	NM	–22.5	–73.7	3,546	1
Jacobs Engineering	6.3	10.3	24.0	22.1	10.8	NM	27.4	4.8	–6.8	64.6[d]	40.7	794	10
Butler Manufacturing	5.8	6.7	10.3	9.3	68.7	4.6	12.9	–2.2	–12.8	30.4[c]	72.7	618	13
Guy F Atkinson	5.7[b]	3.3	def	def	4.1	–2.2[b]	NM	–8.7	–18.5[b]	–40.7	D-D	845	–38
Perini	4.8	2.7	1.4	2.4	23.1	4.4	–1.1	–7.4	NM	NM	–90.0	805	4
Fluor	0.4	def	17.0	15.6	7.6	NM	NM	31.1	–17.3	NM	–40.0	6,216	103
Morrison Knudsen	def	def	def	def	19.3	5.2	–2.5	16.3	NM	NM	D-D	2,139	–8
Fischbach	def	def	def	def	22.8	3.4	–3.4	–18.1	NM	NM	D-D	799	–31
LVI Group	def	def[d]	def	def	94.9	12.5	NM	–0.7	NM	NM	D-D	485	–33
CBI Industries	NA	0.4	4.4	5.0	34.9	NA	11.9	9.5	NA	NM	–13.3	1,464	26
MMR Holding	NA	NA	def	258.2	50.8	NA	69.4	–0.4	NA	86.0	P-D	554	–10
Wheelabrator Tech	NA	NA	0.0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Medians	5.8	3.0	3.1	6.8	34.9	5.2	8.9	4.8	–18.5	NM	–40.0		
Residential builders													
Ryland Group	24.2	28.0	20.7	7.4	94.4	22.8	30.9	7.0	23.1	27.4	2.2	1,347	36
PHM	17.0	10.4	24.6	7.8	82.2	21.1	2.1	13.2	NM	–11.9	500+	1,244	67
MDC Holdings	15.6	def	def	def	70.5	84.7	48.3	1.0	NM	NM	D-D	801	–67
General Development	10.7[b]	10.5	1.8	5.7	73.8	8.8[b]	13.4	27.0	–9.1[b]	–18.2	–77.1	646	6
Skyline	7.9	8.8	10.5	10.4	0.0	–1.4	NM	13.2	NM	11.8	12.2	380	15
US Home	def	def	def	def	64.6	NM	–9.4	–5.8	–21.0	NM	D-D	703	–5
Kaufman & Broad Home	NA	NA	25.7	28.3	53.1	NA	35.2	4.2	NA	23.9[d]	26.7	950	68
Medians	13.1	9.6	10.5	7.4	70.5	14.5	13.4	7.0	NM	–11.9	2.2		
Industry medians	7.9	5.0	4.4	7.1	41.0	6.8	10.4	5.9	–21.0	NM	–32.9		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

are also expected to be down this year, by perhaps 2%. As a result, many companies are chasing repair jobs and overseas refinery work that is less dependent on the sluggish U.S. economy.

Expecting a power shortage in the 1990s, companies like Fluor and Guy F. Atkinson plan to go after energy projects. Fluor recently formed a joint venture with Duke Power to build coal-fired cogeneration plants. And because of environmental concerns, Atkinson has also expanded into hazardous waste cleanup, as has Jacobs Engineering Group.

Since Congress' Gramm-Rudman budget law capped infrastructure spending at $43 billion a year (inching to $44 billion by 1990), heavy construction outfits haven't been able to rely on the federal government to bail them out. But there is one window cracking open: The states, many of which raised taxes last year, are collectively in the black. For a company like Guy F. Atkinson, constructing an $80 million courthouse in Central Islip, N.Y. may not look like much. But after a year like 1989, the construction companies are learning to cultivate markets wherever they can find them. ■

GOING NATIVE

The Ryland Group, based in Columbia, Md., was a sleepy little home builder before C.E. (Ted) Peck became chairman in 1982. Now it has sales of over $1 billion and stands ready to face the 1990s. As is often the case with successful entrepreneurs, Peck's strategy was simple but well executed. Says he, "Home building is a local business, dominated by the local economy, so we spread ourselves around."

So far, the go-local strategy has worked well. In 1982, when many builders lost money, Ryland showed a $4.2 million profit, because of its Texas operation, which was riding the state's then-robust oil economy. Ryland also correctly timed California with its 1986 acquisition of Los Angeles-based M.J. Brock, a home builder that now contributes 20% of Ryland's sales and nearly 50% of profits. "We've learned that we have to enter a city when its economy is down and serve it while it's growing," says Peck. Example: Ryland recently moved into Austin, Tex., where the new-home market should pick up and bankrupt builders have left a vacuum.

In a housing market that remains sluggish nationally, Peck is certainly going after the right customers. Ryland now sells 60% of its homes to move-up buyers—often aging baby boomers looking for larger, more expensive homes to buy.

Ryland also has a nice financial services business, which provides 80% of its home buyers' mortgages. Under a freakish ruling by the Financial Accounting Standards Board, the debt of Ryland's mortgage-backed securities subsidiaries is combined with the parent company, pushing the overall debt-to-capital ratio to what looks like an unhealthy 94%. But a more realistic view of the company excludes that subsidiary's debt (which Ryland does not guarantee), leaving a manageable ratio of about 57%.

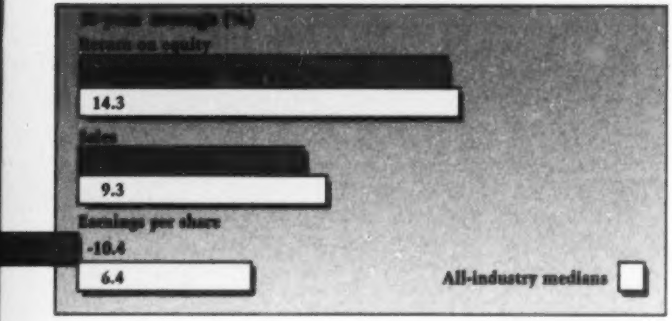
What's more, to cut its interest expense, Ryland is in the midst of converting as much as $100 million of its short-term bank debt—all rated BBB—to the medium term.

To be a star performer in housing, companies need good management, good products and good geographical spread. Ryland has all three.—C.P.

Rhoda Baer

The Ryland Group's Ted Peck

CONSUMER DURABLES



Auto and major appliance firms bunker down, gird for slower growth.

By Jerry Flint

IT'S NOT THE BEST OF TIMES for consumer durables industries, but there have been worse. Detroit's big three, led by General Motors, passed out average rebates of $1,000 on their 1989 cars, with GM alone handing customers $6 billion. The aim: to keep production running and stop the Japanese from winning more market share. Those rebates led to shrinking profits for car- and truckmakers in North America. Sales slumped in the fourth quarter, and it's going to get darker before the dawn.

No one can say for sure whether this winter's slump will break by spring. Making matters worse, production keeps increasing at the Japanese plants in the U.S.

Make no mistake, the survival of GM, Ford or Chrysler isn't at issue here. All three have closed plants and lopped tens of thousands of white-collar employees from the ranks since the early 1980s, and more cost-cutting is under way. Remember,

Consumer durables	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Autos & trucks													
Oshkosh Truck	29.2[b]	30.5	11.0	10.5	6.7	28.9[b]	16.9	21.0	38.5[b]	29.0	–17.3	427	13
Subaru of America	24.7	5.2	def	def	20.0	15.1	11.5	4.4	NM	NM	D-D	1,727	–69
Chrysler	24.5	32.0	19.2	9.3	62.3	12.4	18.2	9.7	NM	25.2	44.5	37,639	1,457
Ford Motor	23.0	29.6	22.0	13.1	72.6	8.2	14.1	7.1	NM	24.7	–4.5	95,913	4,679
Paccar	14.3	15.8	21.3	13.8	39.2	5.5	13.8	14.7	NM	22.8	16.6	3,516	189
General Motors	13.2	13.9	14.6	10.9	47.9	8.4[a]	8.1	5.9	NM	NM	26.7	127,999	4,922
Mack Trucks	def	def	def	def	41.9	2.5	6.4	–5.7	NM	NM	P-D	1,925	–96
Navistar Intl	def	def	18.1	18.2	14.9	–7.9	NM	6.1	NM	NM	–34.8	4,196	183
K-H Corp	NA	NA	NE	def	98.4	NA	NA	–23.5	NA	NA	D-D	1,495	–279
Medians	**18.7**	**14.8**	**14.6**	**10.5**	**41.9**	**8.3**	**12.6**	**6.1**	**NM**	**NM**	**–17.3**		
Automotive parts													
Bandag	33.0	39.2	46.9	40.1	2.5	5.0	10.1	9.4	18.4	18.6	15.0	517	74
Standard Products	25.3	28.3	16.5	13.3	33.9	11.5	13.7	14.7	NM	19.8	–26.3	596	25
TBC	22.6	22.1	23.5	22.6	0.0	10.3	6.4	0.5	17.7	35.3	8.3	485	16
Snap-on Tools	21.6	22.4	21.5	21.1	1.3	9.8	13.0	5.2	11.0	18.4	1.1	882	109
Genuine Parts	19.8	20.3	22.6	21.5	1.9	9.3	6.4	8.5	8.9	11.4	13.0	3,114	194
PPG Industries	17.4	19.7	20.5	14.7	23.6	7.1	8.3	4.2	12.0	18.7	0.5	5,742	466
Cooper Tire & Rubber	17.1	15.7	21.0	16.3	17.0	10.8	9.3	17.0	15.3	12.0	50.0	854	54
Goodyear	16.3	20.6	12.2	7.0	52.5	2.8	1.1	3.3	8.0	20.2	–46.7	10,960	249

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

GM and Ford together earn better than $5 billion in profits from abroad, and Chrysler has two big profit lines—minivan and Jeep—which can keep the company going until better days arrive. Profits last year for the big three together will be in the $9 billion to $10 billion range, below the previous year's $11-billion-plus, but still a lot of money.

This year new managements take over at Ford and GM, with GM likely to get a more product-oriented team, a probable plus. Ford, meanwhile, will have financial men in charge, including Harold (Red) Poling, today's vice chairman, as chief executive. The new leaders will have their hands full. One nagging worry: Washington, which is threatening to pass enormously costly but foolish auto emissions standards.

For auto-parts makers, business falls off when car production slumps. A bright spot here is Japanese carmakers, which at first resisted American suppliers but are now sourcing more parts in the U.S. for their new American plants. Also, certain new technologies, such as air bags and antilock brake systems, will mean a lot of work for a handful of suppliers, including TRW Inc.

The appliance industry has a different set of problems. The business normally runs on 15-year cycles, approximating the

ALL THEY NEED IS THE GIRL

General Motors' profits won't necessarily climb quarter by quarter. There will be many bad days. But GM is better prepared to face the 1990s than its Detroit competitors. Under Chairman Roger Smith, who retires this year, the company's entire manufacturing base has been rebuilt. That means dozens of brand-new or retooled factories. The changes didn't come cheap. Total cost: more than $40 billion. Critics charge that Smith spent too much and counted too much on robots to save the company. But the job's done and the payoff will come over the next decade.

Down in Tennessee, GM and its unionized workers at the Saturn factory are trying something new for big industry. No hourly pay, no time clocks, no my-way-or-the-highway labor relations. In their place: pay by the year and participatory decision-making, even down to picking Saturn's advertising agency.

Global thinking? In Europe, GM's sleek new cars and plant expansions are gaining market share. The company's foreign operations probably earned about $3 billion in 1989.

Innovation? Buying Hughes and EDS gave GM a piece of the electronics communications business. Maybe GM overpaid, maybe there will be some falloff in the defense business. But if technology means survival, GM has made its down payment.

Management? Smith was once GM's chief financial officer, and the best guess is that the successors to leadership will be more product-oriented. That could mean more decisions by men who deeply understand the car business, not just the numbers. And that could be good for GM and good for America.

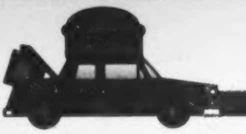
GM's got the plants, the technology, the spirit. So what's wrong? The biggest part of its business, selling cars in the U.S., is probably a loss operation, and market share has fallen. Remember the old song: "Got my tweed pressed, got my best vest. All I need now is the girl. . . . " All GM needs is the cars. Many of the cars it sells in the U.S. don't match the competition. To make really big profits, say $10 billion a year, GM needs cars that don't require $1,500 rebates to sell. Smith admits it.

"We need the penetration. We need the market share," he says. "To get that, you've got to have the products, you've got to have the quality. We've got the quality [now], we've got the products coming." He's right. Examples: a sleek new van and handsome 1992 Pontiac Bonneville.

The 1990s will be cruel for automakers. Too much worldwide capacity, too many regulations from Washington, too many competitors from Japan who put shareholder return last and sacrifice profit for market share. But expect GM to ride out the storm and come out on top.—J.F.

Timothy White/Onyx

Roger Smith of General Motors



average life of a washer, dryer or refrigerator. The last cycle peaked in 1987, and now it looks like sales are headed downward. In 1987 some 50 million major appliances were shipped, but shipments have been declining ever since, with something under 49 million major appliances shipped in 1989 and the industry estimating maybe another million fewer shipments this year. Appliance makers like Maytag and General Electric would love to see a housing boom come along, but there's no sign of one.

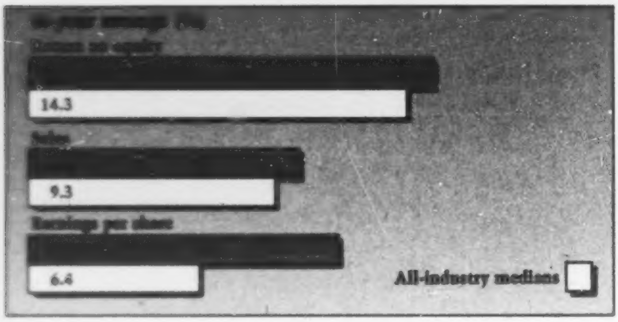
All this is for the big items like washers and refrigerators. The outlook is better for companies such as Premark International—outfits that make the smaller-ticket, less recession-sensitive machines that chop salad and microwave popcorn. ■

Consumer durables	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Modine Manufacturing	16.2	17.7	13.4	11.8	16.4	9.1	12.3	5.9	11.7	11.3	–9.4	433	23
Eaton	14.5	18.1	18.9	13.4	34.7	1.9	2.9	7.7	6.0	14.6	7.6	3,663	222
SPX	13.8	13.0	19.2	14.1	18.3	14.7	15.4	–17.0	6.1	NM	89.3	709	69
Johnson Controls	13.6	12.9	10.9	9.0	22.9	15.8	20.5	18.8	5.4	3.8	–9.9	3,684	98
Echlin	13.4	12.9	7.0	6.4	26.0	17.4	17.7	12.4	9.8	4.2	–28.6	1,454	44
Dana	13.0	14.2	16.1	11.2	53.4	7.8	10.8	3.2	NM	7.3	22.1	5,234	155
Federal-Mogul	12.6	11.2	11.0	9.1	32.4	6.3	8.4	–6.4	NM	NM	–15.6	1,102	41
Lancaster Colony	12.1	11.9	16.7	12.8	23.0	6.8	3.4	8.9	NM	NM	12.7	500	22
Barnes Group	11.1	14.2	12.4	9.8	41.1	1.7	NM	2.4	NM	9.6[c]	–14.8	504	17
Arvin Industries	11.1	10.7	1.7	3.2	41.2	12.5	18.0	11.9	11.5	18.0	–37.7	1,473	13
Allied-Signal	9.8	11.1	15.7	11.3	32.8	13.3	3.6	0.3	NM	NM	18.0	11,891	517
AO Smith	5.1	7.9	4.9	5.1	34.2	2.8	3.5	3.4	NM	–32.7[d]	8.4	1,023	15
Cummins Engine	2.7	def	def	def	35.5	6.8	12.8	10.3	NM	NM	D-D	3,524	–51
Allen Group	0.3	def	16.6	11.4	17.2	1.4	NM	3.9	–13.9	NM	D-P	354	19
Danaher	NA	25.5	28.0	15.9	59.0	NM	64.2	7.0	NM	103.9[c]	9.3	756	42
Masco Industries	NA	18.2[c]	16.2	6.9	74.2	18.4[a]	32.8	3.6	NA	NM	25.9	1,702	57
Medians	13.7	14.9	16.4	11.6	29.2	8.5	9.7	5.6	6.0	10.4	8.0		
Appliances													
Emerson Radio	18.7	14.2	15.4	11.8	35.7	33.9	31.7	23.6	NM	NM	D-P	871	14
Whirlpool	15.0	12.9	9.5	9.5	37.9	8.4	10.2	28.3	4.6	–7.1	–14.2	5,566	126
Toro	12.1	20.3	18.2	14.6	44.9	7.0	21.1	1.5	NM	26.9[c]	0.0	635	20
Black & Decker	5.4	6.4	11.3	13.6	79.3	7.1	12.4	24.2	–6.9	NM	–7.3	2,722	82
Amdura	def	def	8.0	13.3	64.4	–6.6	–4.2	111.4	NM	NM	D-P	521	7
Allegheny Intl	def	def	NE	def	121.4	NM	–19.1	2.3	NM	NM	D-D	953	–31
Harman International	NA	34.7[c]	19.9	12.9	59.2	NA	26.4	10.0	NA	59.2	22.3	530	16
Maytag	NA	29.9	24.1	17.7	45.0	NA	4.2	49.2	NA	11.8	–11.7	2,767	144
SSMC	NA	NA	def	def	6.9	NA	–2.5	–12.4	NA	NA	P-D	596	–36
Standard Shares	NA	13.0	8.4	7.8	4.9	NA	10.3	11.1	NA	NM	–14.4	826	15
Medians	8.7	13.0	10.4	12.4	44.9	7.0	10.2	17.4	NM	NM	–9.5		
Home furnishings													
Rubbermaid	21.5	22.9	21.7	19.6	7.6	16.7	22.0	13.8	17.7	18.6	15.3	1,322	111
Leggett & Platt	19.4	19.3	18.1	13.9	35.1	16.1	17.4	26.0	15.7	12.7	18.1	959	45
Newell Co	18.0	18.0	20.0	15.8	34.7	23.7	32.4	10.4	14.2	21.8	39.7	1,098	77
Kimball International	17.6	17.7	15.8	14.5	3.3	10.9	14.9	16.0	10.1	15.0	15.0	613	37
La-Z-Boy Chair	16.6	17.5	14.2	11.7	25.7	14.2	19.4	9.5	15.3	12.0	1.4	556	26
Bassett Furniture Ind	11.3	8.9	7.2	7.2	0.0	6.7	6.2	0.5	NM	–10.7	7.9	468	19
Interco	9.0	8.0	NE	20.2	311.7	2.4	NM	–28.5	–4.5	–7.5	–74.7	1,929	92
Premark Intl	NA	NA	11.7	10.3	23.7	NA	7.1	7.5	NA	NM	–22.3	2,545	92
Medians	17.6	17.7	15.0	14.2	24.7	14.2	16.1	10.0	14.2	12.4	11.5		
Recreation equip													
Brunswick	24.0	23.0	def	def	35.2	10.5	23.2	–11.6	27.2	22.9	P-D	2,943	–48
Fleetwood Enterprises	18.1	17.8	17.9	17.8	0.0	10.9	6.1	7.9	NM	NM	26.5	1,587	67
Briggs & Stratton	12.4	10.8	def	def	19.9	4.9	7.4	–7.1	–3.7	–2.9	P-D	873	–20
Winnebago Industries	11.8	10.9	def	def	6.3	12.6	8.1	2.9	NM	–24.2	P-D	438	–5
Outboard Marine	10.0	10.3	12.1	10.9	28.6	7.3	14.2	–8.8	5.8	NM	–2.7	1,464	70
Coachmen Industries	8.7	4.0	def	def	9.1	9.8	–5.2	–15.0	NM	–28.7	P-D	339	–1
Harley-Davidson	NA	49.3[d]	26.2	16.1	39.9	NA	25.8	8.0	NA	61.2	9.5	785	32
Medians	12.1	10.9	def	def	19.9	9.8	8.1	–7.1	NM	–24.2	P-D		
Industry medians	13.8	14.2	15.0	11.6	33.4	8.4	10.3	7.1	–10.4	5.8	0.2		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CONSUMER NONDURABLES



In uncertain times, hold the soapmakers, dump the apparel firms.

By Gale Eisenstodt

AMERICAN CONSUMERS MADE 1989 a banner year, spending $1.1 trillion on nondurable goods such as apparel, perfumes and soaps. But the flow of green at the cash registers is slowing. Spending on nondurables will likely rise 4% this year, versus a jump of nearly 7% last year, says Conference Board economist Albert Sommers.

If Sommers is right, textile and apparel companies such as Springs Industries and Kellwood are likely to feel the pinch more than companies such as Procter & Gamble and Clorox, which make personal and household products. The reason is simple. Shoppers can hold off on buying the fluffy angora sweater or new designer jeans, but even in the toughest of times they will replace a flattened toothpaste tube.

Beginning in December 1988, clothing manufacturers

Consumer nondurables	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Personal products													
Tambrands	29.1	29.3	21.4	19.8	0.0	13.7	10.7	4.0	9.8	10.7	–12.4	584	76
Gillette	27.0	33.4	NE	21.4	55.7	5.8	10.9	7.3	NM	16.0	13.7	3,734	267
Stanhome	21.9	26.2	27.1	27.3	0.9	9.3	11.1	13.2	12.6	35.9	17.5	532	43
Johnson & Johnson	21.3	23.3	20.4	23.8	22.2	8.3	8.8	7.5	9.5	15.7	14.9	9,486	1,063
Clorox	20.1	20.3	16.8	14.9	0.8	5.3	6.1	8.1	13.5	11.4	–8.0	1,393	128
Kimberly-Clark	17.6	19.1	21.9	14.2	21.6	10.3	10.4	7.7	7.2	16.6	12.2	5,662	408
Block Drug	16.9	16.3	14.3	13.9	5.0	10.0	11.9	8.6	12.0	12.6	8.2	419	45
Colgate-Palmolive	15.9	18.5	30.0	19.6	44.5	0.9	NM	–0.4	NM	NM	47.5	4,965	344
Helene Curtis Inds	15.2	15.5	13.0	10.7	41.7	16.8	12.6	25.5	20.6	15.5	20.1	693	17
Procter & Gamble	15.2	12.9	20.3	14.8	21.9	7.8	9.4	8.9	NM	NM	29.7	21,706	1,357
Scott Paper	15.0	18.3	19.0	11.7	39.6	9.9	13.7	11.3	11.7	27.5	–0.3	5,058	385
Carter-Wallace	14.2	16.2	16.1	15.4	6.0	11.2	10.2	6.0	21.1	20.9	15.6	533	48
Service Corp Intl	12.7	10.6	9.7	7.3	38.4	21.8	25.4	4.6	14.0	NM	46.5	741	55
Alberto-Culver	11.7	14.1	21.8	18.2	31.6	12.2	14.1	18.6	12.8	48.4	13.1	717	29
Greyhound	10.7	9.6	10.3	8.5	61.6	–7.4[a]	2.4	10.4	NM	NM	274.6	3,512	104
Avon Products	0.7	def	33.3	16.4	72.6	2.7	NM	11.0	NM	NM	D-P	3,279	137
Gibson Greetings	NA	22.8	20.4	17.9	6.0	13.0	9.2	13.6	NA	4.4	19.0	435	38
Medians	15.6	18.3	20.3	15.4	22.2	9.9	10.4	8.6	10.8	12.6	15.6		

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Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

pulled out of a slump that began after the October 1987 stock market crash. Liz Claiborne, which recently introduced a line of large-size women's sportswear, was a major beneficiary of the rebound. In the first nine months of 1989, sales rose 16% and earnings were up 48% over the comparable 1988 period. Bolstered by its success with department store boutiques, Leslie Fay, a dress manufacturer, also showed impressive earnings gains.

With sales robust, apparel stocks outperformed the market early in 1989 but started to lag as signs of a slowdown became evident. Late in the year men's apparel sales grew sluggish, hurting Phillips-Van Heusen and Oxford Industries. An added worry for apparel firms: the worsening health of many department stores—including, most obviously, those of Campeau Corp.—and the price slashing that has resulted. At the bottom of the apparel chain, textile companies such as Springs

NIMBLE GIANT

Johnson & Johnson Chairman Ralph Larsen, 51, is running what may be the world's best personal products and health care company. Over the past decade it has returned 21% on its equity, versus an industry average of 16%. Calling J&J "one of the best-diversified and best-positioned health care companies in the world," Sanford C. Bernstein analyst Kenneth Abramowitz forecasts annual earnings growth of 15% through 1993.

The toughest part of Larsen's job will be to keep his $9 billion (revenues) company innovative. J&J's record so far is impressive. Among its emerging products are Sucralose, a noncaloric sweetener that can be used in cooking, and Retin-A, an acne medication that has gained attention as a wrinkle cream.

Rather than search for rapid growth in personal products markets, which are now mature, Larsen is building the company's pharmaceuticals business, an area in which he can exploit its trusted brand name, and where margins are high. Pharmaceuticals now account for 26% of Johnson & Johnson's revenues but 49% of profits.

The business is not without risks. Once a drug's patent expires, producers of generic drugs can knock 30% off the proprietary product's sales in a year. One way to extend the life of a drug is to sell it in a milder form over the counter. Last year J&J began selling its patented Imodium, an antidiarrheal, over the counter. Another J&J drug, Hismanal, an antihistamine, will eventually follow suit. A joint venture between J&J and Merck & Co. will soon attempt to market other drugs over the counter as well.

Meanwhile, Larsen, who himself moved up J&J's consumer products ladder, is consolidating marketing and administrative activities for the dental, health care and baby products divisions. He is also looking for acquisitions to round out the company's consumer products lines, perhaps overseas. J&J already has a strong presence in Western Europe and is looking at Eastern Europe and the Soviet Union as well.

"We would make a large acquisition if it made strategic sense," says Larsen. "We look for acquisitions that give us technology, that allow us to strengthen our position in a specific field of interest, or acquisitions that allow us to enter markets more rapidly." With a relatively minor $1.9 billion in debt, compared to $4 billion in equity, Larsen could finance a purchase of $10 billion or more.—G.E.

Danuta Otfinowski

Ralph Larsen of Johnson & Johnson

and Guilford Mills started to feel the pinch.

In contrast, earnings in the soap and toiletry business are steady. The trick for these companies is to find ways to grow quickly in markets that are expanding only 2% to 4% a year. The worst news this year was a stronger dollar, which crimped foreign sales at Colgate-Palmolive and Gillette.

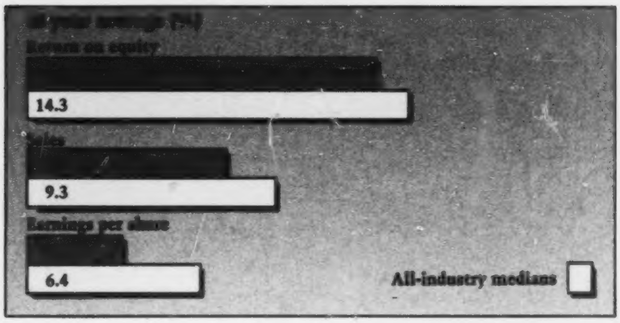
Gillette is expected to improve earnings this year by introducing an innovative new razor that has blades mounted on tiny springs. Procter & Gamble, which acquired Noxell in November for $1.4 billion, has instituted tighter brand management. Wall Street noticed: P&G's market value jumped some 50% last year. Meanwhile, Helene Curtis is roaring along as it takes on P&G in the shampoo business with its Salon Selectives, Suave and Finesse brands. Helene Curtis' sales and earnings for 1989 increased by as much as 20%, and similar gains are expected this year. ■

Consumer nondurables	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Apparel & shoes													
Liz Claiborne	51.8[a]	45.0	32.8	31.5	2.6	44.6[a]	39.2	17.0	45.4[a]	37.1	40.2	1,325	151
NIKE	29.8	18.9	37.8	35.3	4.9	27.9	4.7	26.0	22.7	NM	38.4	1,803	186
VF	26.3	22.6	16.1	14.0	44.8	18.6	20.6	–2.2	22.2	7.4	–1.9	2,474	174
Phillips-Van Heusen	20.3	27.7	43.5	14.0	51.8	5.4	1.8	14.3	15.3	8.9	14.7	689	23
Russell	18.3	18.2	17.4	14.2	32.6	11.5	10.8	24.0	12.5	16.8	15.5	636	61
Kellwood	15.3	18.5	19.4	14.6	30.9	1.5	2.2	10.6	13.9	19.3	11.6	788	35
Oxford Industries	9.6	3.6	9.8	8.7	24.8	10.7	1.4	–3.6	NM	NM	D-P	565	10
Crystal Brands	NA	6.7[d]	11.9	5.5	59.3	–4.9[b]	–5.1	102.6	NA	79.2[d]	142.5	798	26
Fruit of the Loom	NA	NA	34.8	11.5	70.1	NA	13.3	25.6	NA	NA	80.2	1,238	90
Gitano Group	NA	NA	29.2	20.7	35.0	NA	37.4	19.3	NA	30.2	1.0	560	28
Leslie Fay Cos	NA	NA	21.0	14.4	44.8	16.9[b]	11.6	20.7	NA	14.9[d]	18.5	780	28
Reebok International	NA	61.8	21.1	18.5	12.3	NA	NM	–1.1	NA	94.4	–10.4	1,775	147
Medians	**20.3**	**18.9**	**21.0**	**14.3**	**33.8**	**11.5**	**7.8**	**18.2**	**15.3**	**16.8**	**17.0**		
Textiles													
Shaw Industries	20.9	22.5	34.2	16.7	45.7	19.6	22.5	15.6	23.8	19.0	48.3	1,219	52
Guilford Mills	17.3	14.0	12.6	9.9	30.1	12.7	16.9	5.6	4.2	5.4	–4.8	617	25
Dixie Yarns	14.1	16.7	7.5	6.8	34.2	10.1	19.2	–4.1	18.1	36.4	–28.0	592	15
DWG	13.2	14.6	def	4.7	68.9	25.1	29.0	6.3	11.6	31.0	P-D	1,191	–12
Salem Carpet Mills	12.8	15.0	12.7	10.0	46.0	9.0	10.5	3.9	16.0	11.5	12.9	414	8
Springs Industries	8.9	9.1	12.6	10.0	26.4	9.4	17.5	6.2	6.8	12.1	49.6	1,908	69
Fieldcrest Cannon	5.4	4.1	7.7	6.8	52.8	11.3	24.7	–0.1	–8.7	NM	D-P	1,353	20
United Merchants	def	def	def	def	90.5	1.6	7.2	–26.7	NM	NM	D-D	458	–75
Delta Woodside Inds	NA	78.9[c]	26.0	18.8	40.2	NA	55.8	12.7	NA	127.2[d]	–2.5	565	28
Medians	**13.0**	**14.6**	**12.6**	**9.9**	**45.7**	**10.7**	**19.2**	**5.6**	**9.2**	**12.1**	**–2.5**		
Photography & toys													
Fuqua Industries	23.6[b]	23.2	def	1.2	32.9	–5.3	2.0	3.5	20.9	15.7	P-D	936	–2
Hasbro	23.5	17.8	12.0	11.9	14.9	39.3	36.7	3.4	38.8[a]	10.0	52.5	1,388	89
Eastman Kodak	14.3	15.3	13.3	8.2	46.4	6.6	10.0	12.7	NM	19.8	–32.1	18,055	901
Tonka	13.5	12.7	13.6	10.9	83.7	20.5	53.1	6.7	NM	NM	D-P	899	12
Polaroid	5.4	5.7	6.5	7.3	33.8	2.5	9.5	3.3	NM	NM	107.1	1,900	91
Mattel	def	def[c]	51.6	18.7	50.3	4.6	8.0	24.5	NM	NM	D-P	1,165	69
Medians	**13.9**	**14.0**	**12.6**	**9.6**	**40.1**	**5.6**	**9.8**	**5.1**	**NM**	**NM**	**79.8**		
Industry medians	**15.2**	**16.7**	**17.1**	**14.1**	**34.6**	**10.1**	**10.8**	**8.4**	**11.7**	**12.6**	**15.6**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ELECTRIC UTILITIES



The burning question: Where will new generating capacity come from?

By Ronald Bailey

THE U.S. AVERTED BLACKOUTS and brownouts last year, largely because the summer was mild. But the potential shortage is real. The Department of Energy projects that the U.S. will need 116 gigawatts of new generating capacity by 2000, and the industry so far plans to add only 43 gigawatts.

With the industry now at the end of a 20-year construction cycle, few utilities plan to make major additions to capacity in the 1990s. Right now utilities have 17% more capacity than needed to generate their average output, and that is considered a minimum to maintain reliability. Next year capacity will dip below that level, increasing the probability of blackouts and brownouts in the 1990s.

Like much of the rest of U.S. industry, the utilities are acquiring—doing financial deals—rather than expanding capacity. Last year Pacific Power & Light merged with Utah Power & Light, Southern joined with Savannah Electric & Power, Eastern Utilities Associates acquired Newport Elec-

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As utilities go, PacifiCorp is downright daring. Fresh from its $2.1 billion merger last January with Utah Power & Light, Portland, Ore.-based PacifiCorp struck again last month. It made a $2 billion offer for Arizona's Pinnacle West Capital Corp.

The prize is Pinnacle West's Arizona Public Service division, which serves 45% of the state's homes. The booby prize is Pinnacle West's MeraBank thrift unit (assets, $8.3 billion), which is sinking along with the Arizona real estate market. Burdened with more than $1 billion in bad loans, Merabank needs $450 million in capital, federal regulators insist. Under the terms of PacifiCorp's offer, the foundering thrift would be spun off after a capital infusion, and PacifiCorp would add Arizona Public Service to its seven-state system.

PacifiCorp's $2 billion bid is a shrewd turf grab. If the company succeeds in acquiring Pinnacle West, its transmission system would essentially stretch from Canada to Mexico. This would give PacifiCorp a crucial advantage. Demand in PacifiCorp's northern division (Washington and Oregon) peaks in the winter, while demand in its southern division (Utah, Wyoming and now Arizona) peaks in summer. By matching the northern peaks with the expanded southern troughs, and vice versa, PacifiCorp could make available an additional 650 megawatts of steady capacity for sale to other utilities.

Also, the linked system would give PacifiCorp sufficient generating capacity to delay construction of new plants until after the year 2000.

According to PacifiCorp Chief Executive Al Gleason, the company's maverick approach stems from the fact that "we've had to scratch and compete and be a very low-cost producer in order to survive" in a region that is amply supplied with cheap hydropower.

Unlike many utilities, PacifiCorp's diversification efforts into mining and communications have been remarkably successful. All told, they account for 37% of the company's annual revenues. Says Gleason, "If we manage our nonutility businesses correctly, then we will be able to grow PacifiCorp's earnings at a rate higher than our utility brethren." So far PacifiCorp is doing just that, making itself the utility to watch in the 1990s.—R.B.

John Maddock Robert

Al Gleason of PacifiCorp

tric, Hawaiian Electric merged with Molokai Electric, and Duke Power linked up with Nantahala Power & Light.

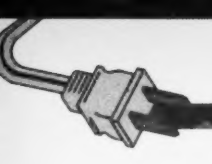
Meanwhile, the largest merger, the proposed $2.9 billion union between SCEcorp and San Diego Gas & Electric, is still pending. Also pending are Northeast Utilities' takeover of ailing Public Service of New Hampshire and Eastern Utilities Associates' offers for Unitil and Fitchburg Gas & Electric Light.

Further mergers will likely be spurred by proposed amendments to the Clean Air Act. Those amendments could cost electric utilities between $40 billion and $60 billion in new expenditures for retrofitting coal-fired plants by the year 2000. The idea behind some of the mergers is, apparently, that super-utilities can afford the costs better than ordinary-size ones, according to Shearson utility analyst Edward Tirello. Smaller utilities dependent on old coal-fired plants will

Electric utilities	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**			**Earnings per share**			**latest 12 mos $mil**	**latest 12 mos $mil**
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**		
Northeast													
Potomac Electric	**16.6**	17.8	15.7	7.6	46.5	**7.1**	3.1	–0.6	**11.1**	9.9	–1.9	1,337	206
Baltimore G&E	**15.3**	16.0	12.9	7.6	38.8	**6.8**	2.2	8.5	**8.8**	7.4	–13.3	1,945	276
Allegheny Power	**14.8**	14.8	13.1	7.2	39.7	**8.0**	4.4	1.6	**7.3**	3.0	–1.3	2,212	200
Commonwealth Energy	**14.7**	13.4	12.6	6.5	35.5	**6.3**	NM	14.4	**5.5**	–7.4	21.2	765	38
Northeast Utilities	**14.1**	13.4	12.3	6.3	49.0	**8.2**	NM	–2.7	**6.9**	–5.2	10.1	2,160	226
Consolidated Edison	**14.0**	13.7	13.3	8.5	34.1	**5.2**	–2.2	6.0	**9.0**	2.3	5.6	5,392	595
Delmarva Power & Lt	**14.0**	14.0	12.5	7.2	36.4	**6.6**	2.5	3.1	**5.0**	NM	3.8	780	84
Orange & Rockland	**13.8**	13.9	12.0	7.3	39.0	**5.4**	–2.9	10.7	**4.5**	3.3	–14.5	522	39
Atlantic Energy	**13.5**	14.0	13.6	7.4	36.2	**9.8**	5.4	5.4	**4.9**	3.1	–1.1	693	78
Pub Svc Enterprise	**12.9**	13.2	13.4	8.8	39.8	**7.0**	1.6	8.4	**3.4**	NM	1.2	4,642	527
New England Electric	**12.9**	9.6	10.9	5.2	44.6	**6.2**	1.2	6.4	**NM**	NM	D-P	1,585	116
NY State E&G	**12.7**	11.6	12.4	7.0	46.6	**10.5**	5.6	8.8	**NM**	–14.0	45.5	1,414	159
Pennsylvania P&L	**12.6**	12.8	13.3	7.5	42.7	**12.3**	11.6	1.4	**1.3**	3.8	–2.9	2,247	321
Philadelphia Elec	**12.4**	12.2	12.7	7.5	50.0	**8.0**	3.8	4.9	**NM**	NM	–9.4	3,342	555
Rochester G&E	**12.3**	11.0	9.9	7.0	49.6	**7.2**	NM	6.9	**NM**	–19.5	10.8	806	60
Central Hudson G&E	**11.6**[a]	9.8	10.9	7.1	48.5	**4.4**[a]	–3.2	5.3	**NM**	–7.8	–14.8	457	39
Long Island Lighting	**11.3**	9.0	def	2.6	59.0	**8.5**	2.9	6.1	**NM**	–10.8	P-D	2,261	–54
United Illuminating	**11.3**	8.8	def	def	48.6	**7.4**	1.6	2.9	**NM**	NM	P-D	528	–57
American Water Works	**11.3**	11.6	9.3	6.2	48.2	**9.5**	6.5	3.7	**14.0**	7.7	–7.1	523	53
Niagara Mohawk Power	**11.2**	8.8	3.7	5.3	50.6	**7.5**	NM	2.7	**NM**	–14.8	–31.3	2,851	138
General Public Utils	**10.8**	13.6	13.9	7.1	34.4	**7.7**	1.6	3.1	**18.3**	26.8	–0.8	2,878	276
Central Maine Power	**10.6**	10.2	9.5	6.5	44.5	**10.7**	6.5	8.0	**–1.6**	–6.0	–34.4	693	37
Public Service NH	**9.7**	9.9	0.5	2.9	63.9	**7.9**	4.1	1.2	**–6.6**	NM	D-P	604	1
Boston Edison	**NA**	13.1	9.6	5.8	39.5	**6.2**	NM	1.5	**NA**	NM	12.0	1,242	89
Medians	**12.7**	**13.0**	**12.3**	**7.0**	**44.5**	**7.4**	**1.9**	**5.1**	**3.4**	**–7.6**	**–1.2**		
North central													
PSI Holdings	**34.7**	47.5	21.2	9.7	41.1	**7.2**	4.2	–0.2	**–7.9**	NM	–26.3	1,048	100
Ipalco Enterprises	**15.8**	16.3	14.1	8.2	33.1	**7.1**	7.2	–0.9	**7.5**	6.1	–0.4	595	95
Minnesota Power & Lt	**15.6**	15.9	18.3	9.1	41.0	**5.2**	3.1	7.7	**6.7**	4.8	47.6	465	94
Wisconsin Energy	**15.6**	15.9	13.0	8.8	38.8	**6.5**	0.7	0.8	**9.9**	6.1	–18.5	1,507	166
WPL Holdings	**15.5**	15.1	10.7	7.7	37.8	**6.3**	0.6	3.0	**7.4**	1.4	–27.9	604	45
No States Power	**15.4**	15.0	12.8	6.7	32.2	**7.3**	2.4	1.2	**7.7**	2.0	–9.3	1,974	204
Cincinnati G&E	**15.1**	16.3	17.3	9.3	42.1	**6.3**	NM	2.2	**3.3**	NM	63.8	1,396	221
Wisconsin Public Svc	**14.9**	14.8	12.4	8.8	35.5	**5.8**	–1.7	0.7	**6.3**	1.9	–11.8	608	50
Iowa-Illinois G&E	**14.9**	14.1	13.1	6.8	39.3	**5.7**	–2.1	–0.8	**4.6**	NM	1.5	483	57
Union Electric	**14.3**	14.6	12.7	7.4	42.1	**8.9**	8.8	–2.0	**NM**	NM	–12.0	1,981	262
Commonwealth Ed	**13.8**	13.3	9.2	7.2	43.3	**8.9**	4.3	5.4	**4.0**	–4.6	–15.3	5,790	728
Illinois Power	**13.7**	12.3	def	def	47.3	**6.2**	NM	–0.1	**NM**	–11.3	P-D	1,288	–281
CILcorp	**13.1**	12.9	14.4	6.3	29.3	**3.3**	–3.5	–2.5	**4.3**	NM	49.6	450	48
Ohio Edison	**12.9**	12.3	8.7	6.8	46.7	**8.6**	5.8	5.7	**3.1**	–8.5	–23.4	2,142	248
Central Ill Pub Svc	**12.9**	12.6	13.6	7.2	32.0	**4.1**	–4.4	–1.6	**2.8**	NM	0.9	602	87
DPL	**12.8**	13.0	15.2	9.1	48.5	**6.3**	NM	–2.0	**NM**	NM	35.8	954	129
American Electric	**12.8**	13.6	14.5	7.7	44.0	**6.8**	1.2	4.9	**2.7**	4.1	10.1	4,990	612
Iowa Resources	**12.6**	11.5	11.9	6.6	41.9	**3.8**	–6.7	6.1	**NM**	–6.6	23.7	360	41
Kansas City P&L	**12.5**	10.8	10.7	6.0	36.6	**8.1**	6.0	–1.8	**5.5**	–7.4	–18.3	721	93
IE Industries	**11.8**	11.9	11.9	6.0	42.0	**5.6**	–1.4	1.0	**NM**	NM	–10.2	431	33
DQE	**11.7**	11.3	10.8	6.0	46.9	**5.3**	4.3	11.6	**1.6**	–4.7	3.6	1,121	114

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.



be unable to afford the costs of pollution controls and will probably be purchased by bigger companies.

The stately march toward deregulation continued last year. The Federal Energy Regulatory Commission's report on electricity transmission, issued in October, is a step toward deregulating the national grid and allowing greater access to nonutility power producers.

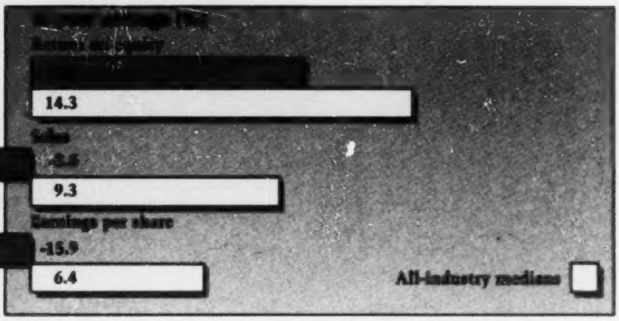
Cash flow for utilities improved overall, chiefly because their funds are no longer tied up in big construction projects and because many contentious regulatory matters have been resolved. Actual electricity output rose only 1.9%, compared with 1988's 4.5% increase. The real price of electricity continued to decline. With interest rates softening in December, the Dow utility average reached historic highs, but its 22.5% rise since last January still lagged the 27% increase for the Dow industrial average. ■

Electric utilities	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Centerior Energy	10.7[b]	8.4	def	2.0	38.8	5.5[b]	3.5	12.2	NM	NM	P-D	2,231	–73
Kansas Gas & Elec	10.3	8.3	9.2	6.3	41.2	8.7	6.8	5.2	NM	–9.8	–10.4	546	63
Detroit Edison	9.6	7.1	def	2.1	52.6	7.1	5.6	5.2	NM	NM	P-D	3,171	–124
Nipsco Industries	6.3	5.4	11.9	6.8	40.1	3.9	–6.6	2.8	–6.0	–10.3	62.1	1,533	136
CMS Energy	3.6	3.4	18.7	8.3	46.6	4.7	–1.5	2.8	NM	NM	10.2	2,961	311
Medians	13.0	13.0	12.5	7.0	41.1	6.3	0.9	1.7	2.8	–10.1	–9.8		
Southeast													
Florida Progress	14.9	15.7	14.6	7.4	29.7	10.4	9.8	3.3	7.2	7.3	9.9	2,077	192
TECO Energy	14.7	14.7	15.8	8.0	32.1	10.0	9.1	3.3	5.7	4.8	12.7	1,056	130
Scana	14.3	14.8	13.6	7.0	36.6	9.1	1.4	4.0	4.9	4.6	5.6	1,109	122
Southern Company	14.0	13.4	13.3	8.3	46.9	10.3	5.4	1.6	6.2	–3.8	12.8	7,356	890
Duke Power	13.8	13.5	12.2	7.4	32.8	11.1	9.3	–2.1	4.7	1.6	–9.6	3,602	474
FPL Group	13.7	14.0	13.1	6.8	36.4	12.7	11.2	4.1	5.2	5.8	–1.8	6,100	426
Kentucky Utilities	13.1	13.9	13.5	9.3	37.9	6.3	1.7	–6.1	6.8	5.1	–10.7	522	72
Louisville G&E	13.0	13.4	12.9	7.1	37.0	7.3	NM	3.2	5.3	2.7	–0.6	664	84
Dominion Resources	13.0	14.1	11.7	7.2	45.4	7.9	6.0	10.7	6.2	7.6	–13.8	3,609	381
Carolina Power & Lt	12.5	11.8	14.2	7.6	38.9	10.2	5.9	9.8	NM	–6.0	73.5	2,436	359
Medians	13.7	14.0	13.4	7.4	36.8	10.1	5.9	3.3	5.5	4.7	2.5		
South central													
Southwestern Pub Svc	18.5	17.7	16.1	9.2	36.8	9.3	0.8	0.6	5.9	NM	–2.0	799	108
Central & So West	15.4	15.1	10.9	6.4	33.8	6.8	–1.8	–0.2	6.1	3.1	–23.9	2,506	283
Texas Utilities	14.8	14.1	12.1	6.8	40.8	10.5	2.7	2.6	5.9	1.2	–6.0	4,238	696
Oklahoma G&E	14.0	14.2	13.8	7.4	37.4	7.5	2.1	0.4	6.2	3.5	–15.5	1,095	124
Houston Industries	13.8	13.8	9.4	6.4	45.0	9.0	–2.9	4.0	3.2	–1.3	–24.9	3,738	330
El Paso Electric	13.4	8.8	def	def	44.4	13.5	14.1	5.8	–6.9	–32.8	P-D	415	–90
Entergy	10.8	9.5	def	0.5	50.6	7.6	4.0	8.6	–2.7	NM	P-D	3,770	–429
Gulf States Utils	10.7	8.4	def	3.5	43.0	7.5	NM	6.8	–6.1	–22.4	P-D	1,592	20
Medians	13.9	14.0	10.1	6.4	41.9	8.3	1.4	3.3	4.5	–11.8	–24.4		
Western													
Tucson Electric	16.7[a]	16.9	def	0.1	53.1	13.0[a]	13.4	14.8	16.2[a]	9.1	P-D	616	–28
SCEcorp	15.4	15.2	15.1	9.2	44.3	9.2	6.0	11.4	6.8	1.4	–7.1	6,824	766
San Diego G&E	15.4	15.0	13.7	8.2	40.3	11.9	5.7	–2.4	8.1	NM	–6.2	2,031	180
Public Service Colo	13.0	13.5	16.7	9.0	39.3	7.8	NM	2.3	3.6	NM	48.6	1,731	157
Puget Sound P&L	11.6	12.9	13.4	8.6	46.6	12.5	7.2	13.7	NM	24.8	–0.5	873	132
Portland General	11.5	9.6	9.2	6.7	39.3	9.4	4.1	4.8	NM	–14.4	14.3	789	82
Montana Power	11.4	10.0	9.7	7.1	32.8	7.8	7.9	1.8	NM	NM	4.0	733	79
Pinnacle West	11.3	8.8	def	5.9	53.8	12.6	17.3	8.7	1.3	–2.5	P-D	2,156	–111
Hawaiian Electric	11.2	11.7	12.0	7.4	35.0	7.3	1.6	20.8	5.0	5.0	24.3	851	63
Pacific G&E	10.5	7.6	3.3	4.5	42.2	7.5	NM	14.2	NM	NM	–61.1	8,485	336
Public Service NM	6.9	1.1	def	def	42.4	15.7	15.3	13.8	NM	NM	D-D	902	–91
PacifiCorp	NA	13.9[c]	14.4	8.2	48.3	NA	5.8[c]	6.3	NA	5.1[c]	–2.0	3,657	448
Medians	11.5	12.3	10.9	7.2	42.3	9.4	5.9	10.0	1.3	–8.5	–4.1		
Industry medians	13.0	13.3	12.4	7.1	41.1	7.5	2.6	3.5	3.5	–6.3	–2.5		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ENERGY



Oil prices firmed up nicely last year, but how long will they stay that way?

By Toni Mack

FOR OIL COMPANIES, the pleasant surprise of 1989 was that strong world demand kept the prices in the $18 to $20 a barrel range for much of the year, despite OPEC's customary overproduction. The question now: Will the prices stay firm in 1990? Probably not, unless OPEC can rein in its production during the typically slow winter months.

Among last year's unpleasant surprises: U.S. demand for gasoline softened, eroding once-strong refining and marketing margins. Also, the great petrochemical boom ended, weakening prices for commodity chemicals like ethylene and propylene. While refining and marketing margins should recover somewhat this year, the petrochemical business is likely to remain weak.

At long last, oil service companies seem to be emerging from the slump that beset the industry for much of the 1980s. The trend toward offshore and natural gas drilling, as opposed to less expensive onshore oil drilling, means added profit for these outfits. Because oil service companies are so lean, says

"WE JUST CAN HARDLY WAIT"

Odds are that natural gas will be the premium fuel of the 1990s, and no company is better prepared to cash in than Pittsburgh's Consolidated Natural Gas (likely 1989 revenues, $2.7 billion). For starters, CNG's exploration unit has found lots of gas that can be sold at increasingly higher prices as the market tightens. Chairman George Davidson figures that CNG can raise gas output from existing wells by 23%. And exploration in the Gulf of Mexico should increase output even further.

Then there is the environmental angle. CNG serves Ohio, Pennsylvania and the Northeast, where utilities are destined to face new emissions restrictions. Chances are good that these areas will turn to clean-burning gas, whether in new or existing electrical generating plants. For coal-fired plants, CNG is at the forefront in developing a new technology called cofiring, which reduces emissions by burning a little gas with the coal. Davidson thinks CNG can increase its distribution deliveries by 11% through cofiring alone.

Jack Van Antwerp

Consolidated Natural Gas' Davidson

The Northeast market is attractive for other reasons as well. In this energy-hungry region, gas use is increasing at about 6% a year. Some observers even think that the Northeast's gas demand could grow by 50% by the mid-1990s.

CNG's own pipeline doesn't actually go into the Northeast, but its aggressive marketers have been selling gas there—hiring another pipeline to carry it—since 1979, when such a thing was almost unheard of. CNG's strategy is to meet high winter demand by drawing gas from the company's mammoth storage fields, which are filled in the summer when gas is plentiful. Expansions being built now will raise CNG's pipeline deliveries by 13% by the mid-1990s, and proposed projects are likely to increase those deliveries a further 15% or more.

"With everything we have on the fire, we just can hardly wait until 1994 or 1995 to see what we've accomplished," says Davidson. By then, CNG's earnings could swell from around $2.20 a share in 1989 to $5.—T.M.

Energy	Profitability					Growth						Sales	Net income
	Return on equity			Return on capital latest 12 mos %	Debt/ capital %	Sales			Earnings per share			latest 12 mos $mil	latest 12 mos $mil
Company	10-year average %	5-year average %	latest 12 mos %			10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %		
International oils													
Exxon	17.7	16.9	12.4	9.1	12.3	NM	−3.6	4.8	6.4	5.1	−23.9	83,393	3,920
Amoco	15.1	13.5	12.5	8.1	24.1	NM	−7.1	20.4	NM	NM	−19.8	25,343	1,666
EI du Pont de Nemours	12.7	13.3	16.4	11.9	14.3	11.4	1.6	8.4	3.7	13.0	19.1	34,945	2,497
Chevron	12.5	11.3	8.8	6.7	26.7	NM	−7.0	6.6	NM	NM	−28.5	27,549	1,309
Mobil	11.9	11.2	11.6	8.9	21.3	NM	−3.1	−4.9	NM	7.3	−12.9	48,900	1,824
Occidental Petroleum	9.4	5.0	3.5	5.1	56.5	8.0	NM	9.6	−21.8[a]	−12.0	−41.6	20,303	233
Texaco	3.1	def	28.3	18.1	30.2	NM	−6.2	−5.7	NM	12.7	D-P	33,160	2,422
Medians	12.5	11.3	12.4	8.9	24.1	NM	−6.2	6.6	NM	5.1	−19.8		
Other oil & gas													
Holly Corp	32.9	42.6	67.2	40.1	77.2	NM	−5.4	−1.3	16.8	NM	45.3	380	33
Getty Petroleum	21.7	28.4	23.7	17.8	45.8	28.0	49.8	−11.4	20.8	28.1[d]	3.6	1,067	26
Mapco	16.8	17.5	19.3	12.2	29.9	7.0	−5.0	9.0	NM	15.1	18.2	1,925	116
Atlantic Richfield	16.1	17.6	31.3	15.1	35.1	NM	−9.0	−9.0	NM	NM	31.7	15,874	1,941
Phillips Petroleum	15.7	17.4	28.8	12.1	47.3	NM	−8.3	7.1	NM	NM	9.2	12,156	609
Ashland Oil	12.1	14.5	8.1	6.4	43.1	NM	−2.1	3.0	NM	11.0[d]	−52.9	7,989	86
Unocal	11.0	7.4	19.7	9.1	51.7	NM	−4.9	12.5	−6.1	−23.3	D-P	9,865	427
PS Group	10.5	13.6	2.6	4.3	39.6	NM	−16.2	−10.6	7.2	NM	−85.8	247	6
American Petrofina	9.1	9.0	15.0	9.9	39.4	5.1	4.3	12.3	NM	NM	9.9	2,954	139
Charter	9.1	32.2	4.4	7.3	11.9	−16.1	−36.7	7.9	NM	NM	−92.5	647	7
Quaker State	7.6	3.9	4.8	4.3	22.0	3.5	−1.5	−4.8	NM	−12.8	18.8	819	15
Crown Central Pet	6.0	7.7	13.3	9.5	0.8	NM	−9.2	2.6	NM	NM	−62.8	1,188	33
Hadson	5.1[b]	9.2	def	def	62.3	NM	NM	30.8	7.1[b]	19.5[c]	P-D	782	−19
Tosco	5.1	NA	8.2	10.1	62.1	−6.7	−15.7	3.0	−13.8	NM	−81.6	1,258	28
Murphy Oil	4.8	def	6.7	4.9	25.9	NM	−11.0	9.7	NM	NM	D-P	1,604	51
Kerr-McGee	4.7	2.2	10.7	8.2	29.4	NM	−7.1	15.5	−5.2	NM	66.1	2,977	152
Amerada Hess	4.4	2.6	21.4	15.4	43.9	−4.0	−15.2	24.2	−6.2	NM	D-P	5,312	472
Louisiana Land	4.4	def	7.5	4.7	42.9	NM	−12.1	−9.2	NM	NM	D-P	685	38
Valero Energy	3.5	def	8.3	7.4	24.0	NM	−19.4	11.9	−8.5	NM	D-P	859	44
USX	def	1.6	16.4	9.8	43.3	2.7	−4.0	9.5	NM	NM	63.4	17,210	879
Harken Energy	def	0.5	0.8	5.5	48.7	NM	NM	80.9	NM	66.3[d]	−71.4	1,100	4
Tesoro Petroleum	def	def	def	def	31.6	−5.3	−19.5	−32.2	NM	NM	D-D	763	−31
Diamond Shamrock R&M	NA	NA	22.1	14.1	33.2	NA	−6.2	8.8	NA	NA	164.0	1,983	79
Maxus Energy	NA	NA	def	1.4	66.8	NA	−21.1[c]	−4.6	NA	NA	D-D	572	−42
Oryx Energy	NA	NA	7.8	5.9	36.5	NA	−22.9[c]	18.7	NA	NA	NA	1,112	42
Pennzoil	NA	def	17.0	8.1	33.0	NA	−4.4	21.4	NA	NM	D-P	2,548	242
Petroleum Heat & Pwr	NA	11.4	def	def	101.3	22.9[a]	20.1	6.7	NA	−12.8	P-D	483	−8
Sun Co	NA	5.4	10.4	6.9	22.0	NA	−12.4	7.6	NA	−6.2	500+	9,632	347
Union Texas Petrol	NA	17.6	72.1	17.7	41.5	NA	−14.2	−18.6	NA	NM	110.0	946	171
Medians	6.8	7.7	10.4	8.1	39.6	NM	−9.2	7.6	NM	NM	18.5		
Oilfield services													
Schlumberger	10.3	1.9	15.2	15.0	9.6	3.6	−4.9	−3.8	−6.9	−19.6	−28.5	4,725	420
Dresser Industries	4.2	2.9	10.5	10.0	13.0	NM	NM	0.2	−11.0	NM	42.4	3,842	159
Halliburton	4.1	def	4.6	4.4	8.2	−5.2	−5.6	9.7	−18.0	−25.8	−9.8	5,398	98
Smith International	def	def	def	3.7	57.1	−7.0	−19.3	−6.5	NM	NM	P-D	301	−2
Baker Hughes	NA	def	8.1	8.0	28.4	NA	−7.7	0.5	NA	NM	42.2	2,328	83
Baroid	NA	NA	3.7	4.4	11.7	NA	−13.4	−3.9	NA	NA	D-P	490	12
Valhi	NA	35.0	41.0	20.8	59.8	NA	51.0	6.1	NA	25.1	300.0	2,350	128
Medians	4.2	0.5	8.1	8.0	13.0	−6.1	−7.7	0.2	−14.5	NM	42.2		
Gas pipeliners													
Coastal Corp	13.9	14.0	13.6	8.3	58.3	8.3	5.9	4.2	4.1	NM	35.8	8,526	170
Enron	13.3	11.3	7.4	6.1	47.5	13.9	NM	2.5	NM	NM	54.1	5,834	140
Mitchell Energy	10.2	2.4	2.7	2.5	47.7	NM	−11.3	3.8	−18.0	−42.7	266.7	600	15
Sonat	6.6	1.6	9.0	7.0	38.7	NM	−14.5	23.2	NM	NM	4.3	1,695	97
Transco Energy	5.2	def	def	3.5	44.2	8.8	−5.5	−12.8	NM	NM	D-D	2,680	−3
Williams Cos	4.4	3.2	2.5	4.0	45.5	NM	−10.2	−9.7	NM	NM	−84.5	1,628	26
Panhandle Eastern	def	def	def	4.7	65.5	NM	−17.1	40.9	NM	NM	D-D	1,933	−4
Burlington Resources	NA	NA	15.0	11.4	11.2	NA	−21.8[d]	−23.5	NA	NA	NA	1,759	460
Medians	6.6	2.4	5.0	5.4	46.5	NM	−12.9	3.1	NM	NM	4.3		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Salomon Brothers analyst James Crandell, they can make roughly 50% operating profit margins on any additional revenue. Thus, reckons Crandell, the oil service sector's average return on equity this year could grow to 10% or better, up from a recent 8%.

For the natural gas industry, the ravages of deregulation are mostly over. Pipelines have paid billions of dollars to get out of costly supply contracts; customers, including distribution companies, have mostly agreed to refund part of that cost over time; and distributors have generally gotten the permission of state public utility regulators to pass the added costs on to their customers.

That means pipelines' profits are poised to rebound, particularly if the gas market finally firms up this winter. First Boston analyst John Olson figures average return on equity could hit 10% in 1990, double recent returns. Now pipelines want to expand, with some $10 billion in projects awaiting regulators' approval. One worry: Distributors could be bypassed if the pipelines' expansions include lines built directly to end users.

In the coal industry, profits were hurt last year by the miners' strike at Pittston and summertime wildcat strikes at other eastern producers. But there is hope: Prices for metallurgical coal and some spot coal strengthened last year, and the trend should continue in 1990.

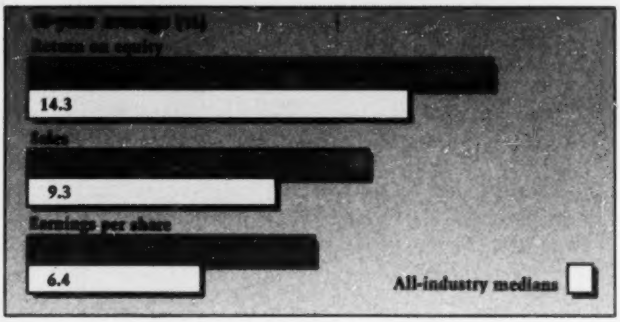
What to watch this year: environmental restrictions, particularly Clean Air Act revisions that Congress is considering. Oilmen and coal producers fret that new restrictions will prove costly and discourage demand, while gas folks are elated at the prospect of selling more of their clean-burning fuel. Among the winners should be low-sulfur coal producers like Westmoreland and Pittston. ■

Energy	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Gas distributors													
UtiliCorp United	16.4	15.8	12.9	8.0	40.4	20.1	30.7	2.8	12.4	2.9	1.1	681	45
Peoples Energy	15.8	15.9	15.8	8.6	36.6	2.1	–7.1	6.4	4.7	7.0	3.5	1,188	78
Laclede Gas	15.7	16.0	12.7	8.5	33.5	3.5	–7.8	1.9	8.5	6.1	–7.6	492	23
Kansas Power & Light	15.5	15.0	11.8	6.9	36.2	18.3	NM	–9.2	6.6	NM	–15.5	1,097	74
Washington Gas Light	15.1	15.5	12.2	8.1	37.0	7.1	–4.4	13.8	7.1	1.5	–3.6	756	47
Piedmont Natural Gas	14.3	14.3	14.8	9.1	38.7	12.3	2.9	8.9	6.6	5.2	–11.2	428	25
Brooklyn Union Gas	14.2	13.4	13.2	8.4	44.8	8.6	–1.7	7.8	3.9	NM	1.2	969	64
Southwest Gas	13.7	14.1	11.3	6.5	60.2	13.8	14.4	–1.3	7.4	7.2	–13.8	555	37
Midwest Energy	12.9	13.5	18.1	8.0	38.8	10.4	9.8	–1.3	1.7	3.0	15.5	564	48
Wicor	12.1	12.8	13.8	10.4	32.9	8.8	–2.6	0.8	3.2	NM	–0.2	740	32
Atlanta Gas Light	11.5	12.2	10.0	6.8	38.8	7.9	–4.1	–3.3	4.9	4.3	–15.6	939	42
Diversified Energies	9.7	8.3	8.9	6.4	34.4	NM	–3.6	15.8	NM	–5.5	–16.4	819	24
UGI	7.7	9.2	13.8	9.3	30.5	3.7	–10.5	–26.0	–2.7	NM	1.7	313	34
Nicor	7.3	11.2	18.2	8.7	26.8	NM	–10.0	8.1	–4.7	NM	8.2	1,592	111
Eastern Enterprises	7.1	6.7	12.3	8.5	27.3	NM	–13.4	17.3	NM	NM	21.7	789	59
MCN	NA	NA	18.6	9.8	40.3	NA	–10.3	6.3	NA	NA	1.8	1,298	49
Medians	13.7	13.5	13.1	8.4	36.8	7.9	–4.2	4.6	4.7	1.5	0.4		
Integrated gas													
Equitable Resources	16.2	12.5	9.3	6.6	27.6	5.5	–4.0	9.7	6.6	–10.7	21.6	430	45
Consol Natural Gas	13.6	12.7	9.5	6.1	24.2	3.1	–8.6	10.6	5.6	–1.7	–21.6	2,607	156
National Fuel Gas	12.8	12.2	12.3	8.4	32.3	3.1	–7.3	11.3	6.9	NM	17.0	856	52
Arkla	12.6	9.7	def	def	42.1	9.6	10.9	4.4	–4.4	–7.7	P-D	2,057	–97
Pacific Enterprises	11.9	11.2	10.7	7.0	36.0	11.6	4.9	13.8	NM	NM	–19.1	6,569	210
Questar	11.2	8.3	10.2	7.3	26.1	5.8	–5.5	–1.9	NM	–18.6	203.8	488	48
Oneok	9.6	6.3	11.4	7.7	21.6	NM	–14.5	8.2	–13.9	–27.4	437.5	618	37
Columbia Gas System	7.1	5.1	8.1	5.6	38.5	NM	–11.0	–10.4	–7.9	NM	36.3	2,824	126
KN Energy	6.9	2.4	def	def	39.4	NM	–8.7	0.9	NM	NM	P-D	337	–16
Enserch	def	def	7.1	4.8	43.7	3.0	–6.0	–3.1	NM	NM	D-P	2,683	54
Medians	11.5	9.0	9.4	6.4	34.2	3.1	–6.6	6.3	–10.9	NM	19.3		
Coal & other													
Nacco Industries	20.2	21.4	17.9	12.7	76.7	6.4	5.5	72.6	18.5	16.8	3.8	951	44
Pittston	def	def	6.6	6.2	16.5	–3.1	4.1	5.3	NM	NM	D-P	1,640	29
Westmoreland Coal	def	def	9.7	7.3	28.9	5.0	NM	3.6	NM	NM	D-P	601	14
Cyprus Minerals	NA	5.1[c]	26.4	20.8	7.3	11.0[b]	15.0	54.4	NA	NM	136.0	1,766	276
Medians	def	0.8	13.8	10.0	22.7	5.7	4.8	29.8	NM	NM	D-P		
Industry medians	10.2	9.2	10.7	8.0	36.5	–3.5	–7.1	5.3	–15.9	NM	3.8		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ENTERTAINMENT & INFORMATION



If the entertainment biz were a movie, we would call it Battle of the Titans.

By Lisa Gubernick

IN THE ENTERTAINMENT WORLD, 1989 was a time for big companies to get bigger and for the small virtually to disappear. Time Inc. and Warner Communications led the parade with their $14 billion (fully diluted) merger. Then Sony spent $4.8 billion to buy Columbia Pictures Entertainment.

Thanks partly to *Batman* and *Indiana Jones*, box office grosses should hit $5 billion for the year. But that did little to ameliorate the sad state of the independent studios. "There's going to be a shakedown of the smaller studios as we hit the Nineties," predicts Morgan Stanley's John Tinker.

Signs have already appeared: Vestron, which never did find a successful sequel for *Dirty Dancing*, started running out of steam in June when Security Pacific Bank refused to extend a line of credit. By year-end Atlantic Entertainment, Kings Road Entertainment and the Weintraub Entertainment Group were in precarious condition, too.

In television land, there were virtually no new network prime-time hits. The networks' ranking (NBC in first, ABC second, CBS dead last) was identical to last year's, and the relentless erosion in TV viewership continued apace, with the three networks' total share falling from 67 to 65.

Meanwhile, the market for TV stations started to drop. By year-end heavily leveraged operations such as George Gillett's SCI Television were all worrying about rescheduling their debts. Says Martin Pompadur, who heads RP Cos., Inc., an investment outfit, "Nearly every station group bought up in the last year or so that I know of is in violation of its loan covenants."

The picture in cable was a bit brighter, but even there the glory days seemed to be over. Congress is considering reregulating the industry, and the telephone companies want in. Jack Kent Cooke put his 700,000-subscriber network on the market for $2,800 per subscriber in August 1988; he ended up taking $2,374 per subscriber a year later.

After a decade of robust growth, book publishers started to hit the skids. Penguin USA eliminated the adult publishing division of E.P. Dutton, and Paramount Communications

THE MOUSE THAT SOARED

Practically from the moment he walked into the chairman's office on the corner of Dopey Drive and Mickey Avenue in 1984, Disney's Michael Eisner has had a magic touch. He took a studio saddled with underutilized assets—theme parks and cartoon characters—and pumped new life into them. Before Eisner came along, Walt Disney Co.'s earnings were stagnating at 68 cents a share; this year they should be over eight times that.

Eisner isn't just exploiting old assets: He's creating new ones. On the movie side, there was 1988's hit *Who Framed Roger Rabbit* and last year's *The Little Mermaid*. Like *Roger Rabbit*, *Mermaid* is more than a movie.

At Disney's retail stores, merchandise based on Ariel (the mermaid) and her aquatic cohorts now makes up 6.5% of total sales.

Over the next decade Disney plans to introduce a new animated film each year. Combined with Disney's plans for records and television, that kind of creativity makes Disney a solid company for the long haul.

Theo Westenberger/Sygma

Disney's Michael Eisner

"In the Nineties we want to look at the expanding world marketplace," he says, his eyes on Europe as well as Asia. Euro-Disneyland, the French theme park, will open in 1992, and there are plans for a studio tour there by 1996. The MGM-Disney tour in Orlando is going great guns. Plans for a second Disney theme park outside Tokyo are now being drafted. All in all, Drexel Burnham Lambert analyst Andrew Wallach expects the expanded foreign operations could add as much as $40 per share in value to Disney's stock, recently trading at 130½ on the New York Stock Exchange.

For Disney stockholders, that's entertainment.—L.G.

announced a $140 million pretax writeoff from Simon & Schuster's operations. S&S Chief Executive Richard Snyder plans to cut back new titles by as much as 15%.

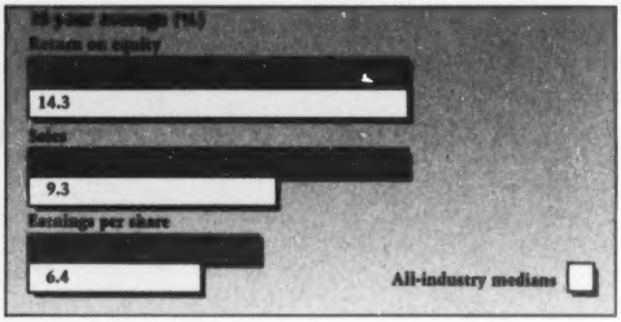
Tidings were similarly grim in the newspaper business. Though revenues rose by 4% to 6% on average, most of that came from increases in rates rather than added volume. Profits were up only about 6% to 8%, vs. 10% the year before, when tax changes helped boost the bottom line. As media analyst John Morton puts it, "It's hard times in the newspaper business, and it's not likely to improve anytime soon." ■

Entertainment & information	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Broadcasting & cable													
CBS	35.4	50.8	11.1	9.6	22.9	NM	–10.9	3.2	17.1	45.6	–79.4	2,867	280
Capital Cities/ABC	18.3	16.3	14.8	11.4	33.4	31.7	54.5	–2.1	17.3	19.4	16.5	4,764	444
Multimedia	8.7	2.2	NE	32.4	242.0	14.9	10.3	5.6	2.9	NM	89.0	458	36
Tele-Communications	8.3	6.9	def	3.6	75.2	40.4	47.2	32.2	12.4	NM	P-D	2,821	–167
Comcast	5.9	def	def	def	81.1	37.1	40.0	28.0	NM	NM	D-D	527	–127
Cablevision Systems	NA	def^c	NE	0.2	120.6	NA	36.2	8.4	NA	NM	D-D	491	–135
Turner Broadcasting	NA	def^c	NE	9.6	88.0	40.6^a	30.7	27.8	NM	NM	D-D	991	6
Viacom	NA	NA	34.5	10.9	81.4	NA	37.3	20.3	NA	NA	NA	1,406	152
Medians	8.7	2.2	def	9.6	81.3	34.4	36.8	14.3	7.7	NM	P-D		
Movies													
Handleman	22.2	24.6	22.2	21.0	5.1	11.0	17.0	15.6	15.6	23.7	16.6	678	43
Walt Disney	17.4	23.1	28.8	21.6	11.1	17.4	21.1	33.6	13.6	43.7	34.2	4,594	703
Warner Commun	17.2	27.5	10.0	9.2	45.0	7.8	8.4	35.3	5.2	25.0^d	–61.7	5,460	179
Paramount Commun	12.9	16.3	16.2	12.9	39.9	–3.7	NM	–22.9	5.2	18.9^c	2.4	3,911	375
MCA	11.5	10.2	11.6	8.2	39.1	10.2	14.5	27.1	NM	4.4	76.3	3,477	196
AMC Entertainment	2.8	def	21.4	13.4	79.4	15.5	19.4	0.1	NM	NM	D-P	457	15
Orion Pictures	def	1.1	8.6	5.7	61.1	13.4	25.7	10.8	NM	NM	42.1	498	16
Commtron	NA	20.5	17.0	16.7	0.0	NA	30.6	15.8	NA	20.8	110.8	550	8
MGM/UA Commun	NA	NA	def	def	52.9	NA	13.1	29.9	NA	NA	D-D	877	–75
Pathe Communications	NA	NA	def	def	49.6	NA	NA	6.8	NA	NA	D-D	387	–86
Medians	12.9	18.4	13.9	11.0	42.5	11.0	17.0	15.7	5.2	19.8	25.4		
Publishing													
Commerce Clearing	39.7	33.1	18.9	15.7	7.6	12.4	10.1	12.1	13.6	13.1	–25.1	668	41
Washington Post	32.4	37.7	21.2	17.9	13.2	10.3	9.6	5.3	23.1	32.4	–37.9	1,433	184
Dun & Bradstreet	31.0	27.5	27.4	27.3	0.0	18.4	19.8	6.2	16.4	6.6	18.6	4,292	572
Dow Jones	29.7	28.1	27.6	21.6	10.1	14.9	12.4	3.4	18.1	15.4	30.3	1,662	320
Times Mirror	22.6	24.2	17.7	12.9	26.3	8.5	4.9	8.6	11.5	12.3	10.9	3,478	331
New York Times	22.0	22.3	38.7	25.0	26.6	13.2	9.8	–1.8	22.0	15.5	117.9	1,708	336
Gannett	21.9	22.2	21.8	14.2	31.0	15.5	15.1	6.5	11.8	13.0	11.0	3,455	388
McGraw-Hill	21.5	20.9	20.9	19.5	0.1	8.7	7.2	–1.7	10.7	7.5	7.0	1,778	193
RR Donnelley & Sons	18.2	18.9	16.8	12.4	3.4	13.2	12.6	12.2	14.6	13.0	10.6	3,107	218
Banta	17.9	16.6	19.8	13.9	26.0	12.4	12.9	36.3	14.0	7.4	47.2	560	33
Knight-Ridder	17.2	17.8	28.1	15.9	43.2	9.4	7.4	9.8	9.1	8.5	55.0	2,235	231
Tribune	16.7	19.3	18.7	13.3	17.8	9.0	7.5	5.1	14.1	23.2	22.0	2,411	238
Meredith	16.1	14.0	8.8	7.8	5.0	8.0	9.1	10.0	10.4	NM	–10.6	797	32
American Greetings	13.6	10.7	8.5	7.0	27.4	13.5	8.8	2.0	6.5	–11.4	32.2	1,255	49
Harcourt Brace	12.7	10.7	NE	def	160.8	NA	30.7^c	–21.2	NM	NM	P-D	1,344	–249
Standex International	12.0	10.9	15.2	12.0	29.4	4.1	3.3	2.0	NM	NM	71.1	443	22
Media General	11.3	8.1	def	0.6	42.5	12.0	8.6	–15.4	NM	–19.3	P-D	633	–8
Affiliated Pubs	NA	38.1^c	62.6	37.0	37.5	12.4	13.0	–0.4	NA	21.5^c	D-P	527	107
Central Newspapers	NA	15.4^d	14.2	13.2	0.9	NA	5.3^c	3.8	NA	4.1^c	8.8	428	33
EW Scripps	NA	NA	12.9	9.2	32.3	NA	10.7	5.1	NA	NM	171.1	1,256	81
Time Warner	NA	23.0	1.9	9.0	78.6	14.4	10.7	29.7	NA	19.6	–90.8	5,755	25
Western Publishing	NA	32.2^c	12.9	12.8	0.0	NA	17.1	–4.0	NA	28.5^c	–18.0	502	23
Medians	18.2	20.9	18.2	13.3	26.2	12.4	10.0	5.1	11.8	10.4	11.0		
Advertising													
Interpublic Group	19.7	20.7	20.8	19.1	9.2	12.9	14.7	15.8	10.2	16.4	17.1	1,236	67
ADVO-System	NA	def	11.1	10.6	NA	NA	21.9	4.9	NA	NM	D-P	618	5
Omnicom Group	NA	13.7	21.4	17.8	35.1	NA	9.5	9.2	NA	3.8	13.5	963	45
Medians	19.7	13.7	20.8	17.8	22.2	12.9	14.7	9.2	10.2	3.8	17.1		
Industry medians	17.3	17.8	15.2	12.8	31.6	12.7	12.7	6.8	10.7	8.0	12.2		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

FINANCIAL SERVICES



Leverage was the way to fat profits in the Eighties. The Nineties will be a different story.

By Matthew Schiffrin

TAKE A GOOD LOOK at the hundred or so regional banks and thrifts listed below. Next year the list will be considerably smaller. After years of lending abuses and hundreds of billions in losses, banks and thrifts are being subjected to tighter capital rules by the Comptroller of the Currency and the newly formed Office of Thrift Supervision. The goal: to provide a better cushion against risks. There are some 250 thrifts and at least 40 banks—not yet under government control—that are virtually insolvent and have little hope of meeting the new requirements. In most cases, they probably can't tap the equity markets, either. Result: Many of them will be merged with stronger institutions or liquidated.

Included among those in violation of new capital requirements are some of the decade's highest flyers: Columbia Savings & Loan, Goldome, Empire of America and Anchor Savings. The consolidation can only help the better-capital-

Financial services	Profitability					Growth						Sales	Net income
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Multinational banks													
Bankers Trust NY	15.4	14.2	def	def	52.6	8.9	7.8	16.1	14.3	13.9	P-D	7,022	–896
JP Morgan & Co	15.2	14.7	def	def	52.7	8.5	4.9	38.4	NM	NM	P-D	10,174	–1,171
Bank of Boston	13.9	13.1	7.1	6.1	43.6	12.8	13.5	27.3	13.5	13.9	–30.7	6,274	145
Citicorp	11.4	9.0	20.5	9.2	59.5	12.6	12.5	19.6	9.9	8.5	–3.1	36,297	1,869
Chase Manhattan	10.4	9.4	def	def	51.4	7.2	6.1	18.5	10.3	18.0	P-D	13,766	–565
Chemical Banking	10.4	7.8	def	def	48.4	8.8	7.4	8.9	12.0	13.5	P-D	8,123	–290
Manufacturers Hanover	8.8	6.6	def	def	55.1	9.4	2.0	10.0	7.1	12.4	P-D	8,638	–439
First Chicago	7.2	7.1	17.1	12.6	34.2	6.6	3.0	12.9	7.4	27.7	26.5	5,363	373
BankAmerica	def	def	23.1	14.2	43.8	NM	–6.9	17.7	–5.6	NM	100.5	11,478	868
Continental Bank	def	def	23.2	14.4	36.5	NM	–8.3	20.7	–19.3	NM	D-P	3,501	318
Medians	**10.4**	**8.4**	**def**	**3.0**	**49.9**	**8.7**	**5.5**	**18.1**	**8.7**	**12.9**	**–30.7**		
Regional banks													
First Union	20.9	22.8	15.0	13.1	29.9	26.4	19.7	14.4	13.9	13.1	–0.7	3,211	287
State Street Boston	20.3	19.9	19.1	14.2	25.7	14.8	15.5	20.3	23.7	17.5	13.6	1,036	100
CoreStates Financial	18.6	19.3	17.4	13.4	33.1	13.0	12.5	17.7	14.0	7.1	14.3	1,839	195
Bancorp Hawaii	18.2	18.3	18.6	17.8	11.1	13.5	9.4	28.7	10.4	16.0	0.5	716	75
Sovran Financial	18.2[b]	18.6	18.3	15.5	23.6	14.9[b]	16.5	17.7	13.6[b]	12.0	12.2	2,565	265

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

WHO WOULD HAVE GUESSED?

San Francisco's BankAmerica Corp. is the financial services company best positioned for the 1990s, largely because it missed most of the 1980s.

BankAmerica, with assets of $96.8 billion, has been so busy cleaning up its past problems that it has managed to steer clear of the industry's potential time bombs: highly leveraged loans to fund takeovers and leveraged buyouts.

Of the company's $73 billion in loans, only 1.6% are committed to highly leveraged transactions. That compares favorably with 15% at Bankers Trust and 8% at California competitor Wells Fargo. BankAmerica still suffers from its heavy portfolio of Third World loans, but that portfolio, at $5.6 billion after reserves, is no longer as proportionately large as it once was. Except for those Third World loans, BankAmerica now has the cleanest loan portfolio of the big banks, according to PaineWebber's well-informed analyst Thomas K. Brown.

What BankAmerica still has, in spades, is access to California's lucrative consumer banking market. It ranks third in home lending in California, up from number 21 in 1987. Moreover, BankAmerica owns Seattle's $10 billion Seafirst Corp., the largest bank in the Pacific Northwest, and is well positioned to take advantage of lending opportunities related to growth in the region and trade with the Pacific Rim.

A.W. Clausen of BankAmerica

Return on assets, at 1.05%, is above the money center bank average of 0.74%. Return on equity is around 23%, and BankAmerica's stock price has recently climbed above 27, up from 5 in late 1987.

BankAmerica Chairman A.W. (Tom) Clausen, called out of retirement, has presided over the comeback, but much of the credit rightly goes to four BankAmerica vice chairmen—Glenhall Taylor, Richard Rosenberg, Lewis Coleman and Frank Newman—all hired from Wells Fargo. At 66, Clausen will eventually cede power to one or more of the four, but which or when is not yet clear. Clausen gives little indication that he is about to resign. Says he, "That decision is up to the board, and the board is not predictable."—M.S.

Financial services	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Midlantic	18.2	17.7	18.5	16.7	22.9	26.0	14.8	25.2	10.0	12.3	22.2	2,195	247
Barnett Banks	17.8	17.6	16.5	14.5	19.2	26.8	20.4	16.7	15.8	11.8	10.1	2,934	251
SouthTrust	17.8	17.7	16.6	13.6	23.2	13.8	14.9	22.7	12.8	12.3	7.3	731	72
PNC Financial	17.7	17.9	19.0	17.1	19.5	18.4	24.0	29.1	12.3	8.5	29.9	4,511	492
Old Kent Financial	17.7	18.2	16.9	14.1	13.3	17.9	13.4	24.8	12.4	10.2	12.5	838	85
Citizens & Southern	17.1	17.6	18.0	14.6	24.3	19.8	14.3	17.2	19.8	12.7	12.5	2,380	232
Signet Banking	17.1[b]	18.0	17.4	13.7	33.2	13.2[b]	14.5	2.0	15.2[b]	NM	–18.5	1,264	119
Banc One	16.8	17.5	17.0	15.3	19.9	18.2	15.0	21.8	11.6	14.0	2.8	3,074	343
BayBanks	16.1	16.8	14.1	13.4	7.9	15.0	13.6	23.2	12.6	16.4	–5.5	1,084	80
NCNB	16.0	15.7	19.1	17.3	34.1	28.9	17.0	91.0	18.1	7.0	67.2	5,262	375
Bank of New England	16.0[a]	16.1	12.0	10.6	81.5	19.8[a]	20.9	19.1	11.4[a]	7.2	–12.8	3,649	196
First of America Bank	16.0[a]	16.0	15.5	13.6	13.5	20.3	15.4	19.8	12.8	11.1	16.8	1,022	106
Crestar Financial	15.8	14.8	15.0	13.2	19.3	14.4	12.5	15.8	9.9	3.5	22.3	1,146	99
Marshall & Ilsley	15.8	16.2	16.3	13.3	21.0	15.7	13.7	17.4	9.5	10.6	6.9	755	82
National City	15.7[a]	16.5	19.8	17.6	14.2	15.8[a]	17.3	16.9	10.6[a]	11.6	42.6	2,505	261
MNC Financial	15.6	16.9	18.3	15.1	27.4	14.9	15.9	22.2	11.5	21.1	17.0	2,308	202
South Carolina Natl	15.6	15.7	14.8	13.5	11.4	17.1	17.0	19.6	11.9	11.3	7.6	637	58
Dominion Bankshares	15.5[b]	16.1	16.2	13.9	18.8	17.7	18.2	20.0	7.9	10.6	10.7	1,024	91
AmSouth Bancorp	15.4	15.7	15.4	13.6	18.5	13.5	15.1	15.7	8.7	8.8	27.0	881	82
Bank of New York	15.1	14.7	def	1.5	26.1	13.4	13.3	119.0	8.6	NM	P-D	5,021	–1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ized banks on our list. Banks like BankAmerica, Southeast Banking and Citicorp are already rapidly moving in on thrifts' mortgage-lending business.

Overall, however, the banking environment will remain hostile this year. Loan demand is sluggish. Especially troubled are New England and Arizona banks as both areas reel from real estate reversals.

With the margins on traditional lending being squeezed, expect banks to continue chasing highly leveraged deals. Particularly aggressive in this area are big regionals like Bank of New York, Wells Fargo and NCNB. Money center banks like Manufacturers Hanover and Citicorp are in the front of the pack as well.

Most of the securities brokers on our list—especially large retail firms like Shearson Lehman and PaineWebber—did poorly last year. Ever since Black Monday, a lack of retail

Financial services	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Republic New York	15.0	11.8	def	3.8	68.9	17.9	15.5	27.2	NM	NM	P-D	2,505	–20
KeyCorp	15.0	15.0	14.9	12.3	30.8	26.4	30.2	22.4	9.5	7.0	37.6	1,600	135
Meridian Bancorp	14.7[b]	14.6	13.9	12.5	14.2	16.7[a]	19.1	12.0	7.8[a]	5.8	8.0	1,072	90
First Tennessee Natl	14.5	14.4	8.0	7.5	26.1	11.2	6.2	15.2	8.3	4.7	–26.7	684	30
Huntington Bcshs	14.4	14.6	16.6	14.4	18.7	16.7	9.1	20.2	7.2	12.4	34.6	1,031	95
Security Pacific	14.4	13.2	19.4	11.1	58.9	14.7	14.1	19.1	10.0	9.3	64.3	9,701	718
Society	14.2	15.3	15.4	13.9	19.1	17.2	16.7	17.3	8.7	12.7	13.5	1,103	110
INB Financial	14.1	13.3	14.9	14.0	10.9	10.8	14.0	20.9	10.0	NM	25.8	630	59
Wells Fargo	13.6	13.7	25.4	13.8	48.8	10.1	10.5	14.8	NM	NM	20.9	5,495	579
US Bancorp	13.5	13.4	15.6	12.5	34.6	12.5	15.3	19.9	5.2	10.0	35.9	1,595	147
Comerica	13.3	15.0	12.1	10.0	29.4	10.9	3.3	20.2	7.3	15.9	–29.2	1,214	77
NBD Bancorp	13.2	14.4	16.7	14.7	14.5	10.9	13.2	18.1	9.5	14.8	15.1	2,477	254
Florida Natl Banks	12.6	11.3	def	def	21.8	20.2	10.9	6.9	11.2	–8.4	P-D	796	–33
Commerce Bcshs	12.3	12.6	14.9	15.5	2.5	10.1	4.5	18.2	8.6	8.5	25.8	550	57
Manufacturers Natl	11.8	12.6	18.2	17.1	9.9	8.8	9.9	22.6	NM	NM	126.8	1,085	106
Southeast Banking	11.5	10.1	16.6	13.5	32.1	12.9	8.1	25.0	NM	NM	62.3	1,663	121
Firstar	11.5	11.3	16.9	13.8	22.7	6.8	7.9	16.4	12.3	22.4	29.6	895	83
Union Bank	10.7	11.9	18.1	13.4	19.9	9.7	8.4	154.1	NM	17.2	14.0	1,562	128
Trustcorp	10.5	8.6	def	def	20.9	23.3	26.7	5.8	NM	NM	P-D	604	–110
Riggs National	10.5	9.1	12.7	10.5	48.0	10.6	5.5	26.8	5.2	5.3	90.4	673	41
Michigan National	10.5	13.7	29.1	25.1	14.2	7.7	5.0	44.9	NM	35.4[c]	95.4	1,465	178
Valley National	10.2	7.4	def	def	35.7	11.2	6.1	7.3	3.0	NM	P-D	1,208	–118
Mercantile Bancorp	9.6	6.2	def	1.0	22.8	7.5	4.6	7.4	NM	–8.9	P-D	721	–2
Ameritrust	9.5	9.0	15.8	13.6	27.1	8.6	12.9	15.8	6.2	12.1	37.8	1,176	114
Norwest	9.0	8.5	19.6	10.9	66.9	9.8	NM	17.1	NM	15.1	14.6	2,810	232
Northern Trust	8.4	8.8	23.8	19.7	27.6	7.1	6.6	27.9	8.6	42.3	356.5	1,204	123
First Security	8.2	6.6	10.6	8.6	24.2	5.6	–1.7	16.7	–8.5	NM	33.7	589	40
United Banks of Colo	7.9	4.6	3.2	4.0	12.8	11.1	6.5	11.0	–8.5	–29.6	–25.0	618	15
First Interstate Bncp	6.1	0.8	14.0	9.1	60.1	9.3	4.7	15.8	NM	–17.6	D-P	6,526	291
First Bank System	5.4	def	def	def	54.5	10.6	NM	–12.8	NM	NM	P-D	2,080	–318
Premier Bancorp	1.8[a]	def	def	def	24.8	11.1[a]	8.2	4.6	NM	NM	D-D	415	–114
First Pennsylvania	def	5.0	18.2	14.7	21.9	–4.4	1.1	26.4	NM	NM	–29.8	726	64
Mellon Bank	def	def	14.8	12.1	52.1	14.0	4.4	12.4	NM	NM	D-P	3,574	223
Boatmen's Bancshares	NA	9.3[c]	8.1	7.9	17.9	NA	7.5	5.9	NA	NM	–20.3	1,450	84
First American Corp	NA	11.7	4.0	4.1	3.9	17.0	14.2	11.6	6.0	NM	–58.0	747	18
First Fidelity Bncp	NA	8.3	def	1.8	32.7	NA	12.2	9.1	NA	–33.9	P-D	2,969	†
First Wachovia	NA	17.5[c]	16.7	15.8	9.2	10.1[b]	7.0	20.9	14.6[b]	8.6	13.2	2,356	262
Fleet/Norstar Finl	NA	16.9	18.5	12.8	41.5	NA	18.8	20.0	NA	9.5	44.1	3,494	367
Shawmut National	NA	15.3	15.8	12.6	28.6	NA	16.4	10.4	NA	8.8	17.0	2,978	264
SunTrust Banks	NA	17.6	17.6	15.3	19.1	NA	10.5	15.6	NA	12.5	10.3	3,225	332
UJB Financial	NA	16.6	15.9	14.5	9.1	NA	12.4	22.8	NA	12.7	5.9	1,184	123
Medians	**14.5**	**14.7**	**15.9**	**13.5**	**22.9**	**13.6**	**13.2**	**18.2**	**8.7**	**8.8**	**13.3**		
Thrift institutions													
Columbia S&L Assn	28.4[a]	18.7	def	def	51.7	48.7[a]	32.8	13.5	NM	NM	P-D	1,367	–196
Golden West Finl	27.2	28.9	17.1	12.5	51.0	18.1	7.9	37.0	19.9	15.0	15.6	1,625	154
Homestead Financial	21.9	13.9	def	5.0	73.4	36.6	27.0	–9.3	NM	NM	D-D	430	–22
Enstar Group	18.2	14.2	def	def	62.2	39.4	48.2	1.5	26.3	14.6	P-D	790	–171
HF Ahmanson	12.1	15.5	10.3	8.2	29.3	12.8	6.6	27.7	6.5	19.7	7.1	4,154	196
Gt Western Financial	11.8	15.6	11.9	9.3	70.0	18.9	7.1	92.1	5.5	18.9	17.2	3,720	237
CityFed Financial	9.9	4.2	def	def	76.9	26.7	7.0	–12.6	NM	NM	D-D	906	–259
Imperial Corp of Am	4.6	12.1	def	def	89.4	15.2	13.1	–5.3	NM	NM	P-D	1,059	–164
American Capital	NA	2.5	def	3.6	84.8	NA	40.0[c]	6.9	NA	NM	D-D	647	–20
AmeriFirst Bank	NA	NA	def	def	62.6	NA	–3.1	6.8	NA	NA	P-D	443	–81
Anchor Savings Bank	NA	NA	def	def	24.4	NA	15.8	14.5	NA	NA	D-D	806	–28

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

activity has severely reduced transaction volume, which is crucial to brokerage profits.

During the wonderful bull market of the mid-1980s, brokers loaded up with technology, capital and people. Now, according to Perrin Long at Lipper Analytical Securities, most brokers are operating with 50% excess capacity. No wonder nearly 20,000 brokerage employees have lost their jobs since the end of 1987 and some 35,000 more are expected to go in the early 1990s.

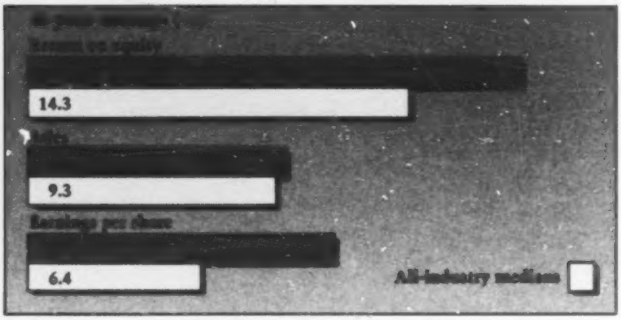
Trouble tends to compound itself. Excess capital among brokers is now being put to use in highly leveraged takeovers and in merchant banking. It can be an extremely profitable area, but it is risky. Among brokerages, managements' use of excess capital will bear careful watching in the 1990s. ■

Financial services	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Atlantic Financial	NA	4.6	def	def	81.5	NA	25.6	–3.4	NA	NM	P-D	740	–81
Benj Franklin S&L	NA	NA	5.8	6.1	38.7	NA	4.2	9.0	NA	NA	–27.7	560	10
CalFed	NA	13.3	5.5	5.7	22.2	21.9	10.8	11.5	12.6	13.5	–48.6	3,074	76
CenTrust Savings Bank	NA	12.0	def	4.7	76.2	25.2[b]	27.7	13.0	NA	NM	P-D	1,043	–38
Coast Savings Finl	NA	12.5[d]	def	def	37.8	18.5[b]	16.2	12.9	NA	80.3[d]	P-D	1,232	–67
Commercial Federal	NA	9.8[d]	3.7	6.8	32.4	NA	22.5	8.8	NA	NM	233.3	646	5
CrossLand Savings FSB	NA	13.1[d]	def	def	28.8	18.4[b]	12.0	13.1	NA	NM	P-D	1,479	–139
Dime Savings Bank FSB	NA	NA	2.3	3.4	46.9	10.1[b]	11.0	14.1	NA	NA	–67.0	1,151	17
Empire of America	NA	NA	def	def	52.3	NA	7.0	11.5	NA	NM	D-D	1,156	–227
Fin Cp Santa Barbara	NA	21.3	def	3.9	99.1	15.1	16.2	–6.1	NM	NM	P-D	460	–30
FirstFed Michigan	NA	16.9	1.3	5.0	64.7	20.0[a]	7.5	3.5	NA	NM	–72.4	1,151	5
Florida Federal	NA	def	def	def	88.8	14.3[a]	5.6	–1.5	NA	NM	D-D	452	–72
GlenFed	NA	13.9[c]	9.4	7.5	57.8	23.1[a]	18.3	8.2	NA	58.0[c]	–28.3	2,674	104
Goldome	NA	NA	def	def	0.6	NA	5.3	–6.4	NA	NA	D-D	1,330	–335
Great American Bank	NA	12.6	def	def	39.9	24.2[a]	23.1	11.0	NA	28.9	P-D	1,678	–38
HomeFed	NA	12.7	11.8	8.0	36.0	17.9	14.4	23.8	13.1	22.1	6.6	1,846	115
Meritor Savings Bank	NA	def	def	def	66.9	16.0[a]	7.9	–14.4	NA	NM	D-D	1,433	–145
Northeast Savings FA	NA	0.0	def	2.3	46.6	NA	15.7	4.1	NA	NM	D-D	721	–5
People's Bank	NA	NA	0.0	8.2	0.0	NA	8.3	22.0	NA	NA	NA	680	37
Standard Fedl Bank	NA	NA	11.9	12.0	0.7	NA	14.5	13.0	NA	NA	–15.9	958	49
Talman Home Federal	NA	NA	6.8	7.4	0.0	NA	–5.2	5.2	NA	NA	–14.3	568	22
TCF Financial	NA	NA	7.1	7.0	1.5	NA	7.0	–4.1	NA	NM	D-P	555	12
Washington Mutual	NA	15.6	8.4	7.1	54.3	NA	12.3	13.4	NA	14.1[d]	–15.9	647	29
Medians	**15.2**	**12.9**	**def**	**3.8**	**51.3**	**18.7**	**12.1**	**8.9**	**5.5**	**NM**	**P-D**		
Brokerage & commodity													
AG Edwards	20.0	16.5	17.5	17.6	0.0	17.0	11.9	15.3	8.1	6.0	93.2	560	53
Salomon	16.7	10.5	10.1	8.8	71.7	–8.8	14.7	46.6	NM	–14.0	58.9	8,303	364
Merrill Lynch	14.9	13.8	12.1	8.4	63.5	20.6	14.9	23.7	9.6	20.8	149.4	11,387	424
PaineWebber Group	11.9	7.7	2.5	4.7	28.7	20.1	12.2	19.6	NM	–14.9	–29.0	2,820	42
Commercial Metals	10.6	11.0	16.6	14.6	23.0	NM	NM	14.7	4.0	18.7	15.1	1,295	28
Balfour Maclaine	3.7	NA	6.3	7.8	60.7	3.0	14.9	23.1	NM	NM	D-P	1,323	2
Bear Stearns Cos	NA	NA	17.9	13.7	26.5	NA	24.2	29.6	NA	16.2[d]	34.0	2,466	174
Morgan Stanley	NA	37.4[d]	27.0	18.0	26.3	NA	35.8	47.3	NA	38.4[d]	25.3	5,400	403
Charles Schwab	NA	NA	7.7	7.1	44.9	NA	31.2	22.1	NA	NA	NA	506	13
Shearson Lehman	NA	12.3	4.4	5.8	77.2	NA	42.6	33.1	NA	–14.5	D-P	12,514	91
Medians	**13.4**	**12.3**	**11.1**	**8.6**	**36.8**	**10.0**	**14.9**	**23.4**	**NM**	**6.0**	**58.9**		
Lease & finance													
Student Loan	37.1	36.8	37.7	5.6	95.7	28.9	17.4	49.6	41.5	30.6	20.7	3,113	249
H&R Block	24.2	24.3	24.1	23.7	1.1	17.1	20.2	15.5	10.7	14.8	12.4	920	101
Equifax	23.9	25.4	17.7	14.5	24.7	9.1	9.7	13.8	12.2	14.1	6.5	819	40
Household Intl	16.6	19.6	19.9	8.3	84.1	–9.0	–24.6	120.0	8.6	13.1	2.7	3,250	240
Lomas Financial	15.1	9.6	def	def	88.0	28.8	41.1	–47.1	NM	NM	D-D	575	–345
Landmark Land	8.1	4.2	def	def	80.6	35.0	18.2	54.5	20.2	NM	D-D	553	†
GATX	7.0	11.7	20.9	6.2	69.0	–5.9	–10.0	18.3	–4.1	NM	23.3	657	60
Beneficial Corp	6.0	7.3	13.8	7.6	80.6	–6.0	–6.4	24.3	1.5	5.7	–7.0	1,590	111
American Express	NA	19.3	23.1	9.9	71.7	30.7[b]	26.1	16.2	NA	10.4	59.4	24,986	1,131
Federal Natl Mortgage	NA	18.6	30.1	6.8	96.3	12.2	4.8	6.0	NA	NM	25.5	11,258	723
Primerica	NA	9.8	17.2	8.9	56.6	NA	–2.1	358.4	NA	NM	56.1	4,342	261
Medians	**15.9**	**18.6**	**19.9**	**7.6**	**80.6**	**14.7**	**9.7**	**18.3**	**9.6**	**5.7**	**12.4**		
Industry medians	**14.3**	**13.7**	**13.9**	**9.1**	**31.5**	**14.3**	**12.5**	**16.9**	**8.6**	**8.5**	**7.1**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P; Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

FOOD, DRINK & TOBACCO



Despite negative publicity and changed consumer tastes, profits roll in.

By Edward Giltenan

ONCE AGAIN, IN 1989, beverage and tobacco companies were on the defensive. The government made warning labels mandatory on all alcoholic beverages last year. Congress banned smoking on domestic flights. Beer and tobacco consumption declined again, while soft drink volume was up only slightly.

Things were considerably brighter on the bottom line. In the 12 months ended Sept. 30, the beverage and tobacco companies on our list reported returns on equity of about 24%, ten percentage points better than the average for American companies overall. The secret? Powerful brand names and steady cash flow.

The survivors in these industries—after the restructurings

Food, drink & tobacco	Profitability					Growth						Sales	Net income
	Return on equity			Return on capital latest 12 mos %	Debt/capital %	Sales			Earnings per share			latest 12 mos $mil	latest 12 mos $mil
Company	10-year average %	5-year average %	latest 12 mos %			10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %		
Food processors													
Kellogg	38.9	43.7	31.6	24.0	20.8	9.0	13.0	10.3	14.5	20.6	1.6	4,656	465
Ralston Purina	33.6	43.0	40.3	19.0	50.4	3.2	4.0	13.3	20.6	23.6	14.4	6,658	423
Tyson Foods	27.8	32.7	29.0	15.9	26.2	22.2	28.3	31.1	25.4	47.0	22.0	2,538	101
HJ Heinz	23.2	24.9	26.3	19.3	25.2	8.0	6.6	9.2	14.6	13.9	14.2	5,873	457
Smithfield Foods	22.9[a]	29.1	10.8	9.2	35.7	24.2[a]	14.0	–4.5	18.5[a]	56.5	–65.2	776	6
Dean Foods	22.4	20.9	21.9	17.8	20.8	13.4	14.1	9.9	17.3	7.5	38.3	1,729	61
ConAgra	21.9	21.7	23.2	16.2	34.8	36.4	33.5	28.3	16.1	20.7	25.4	12,580	210
Lance	21.4	20.8	20.3	18.3	0.0	7.7	5.2	11.1	10.6	7.5	1.6	434	40
Wm Wrigley Jr	20.9	24.4	34.2	33.1	1.2	5.5	9.2	10.6	11.8	21.0	23.7	966	104
CPC International	20.9	24.7	27.0	18.1	28.0	3.1	3.5	8.6	6.5	24.3	14.8	4,981	320
Savannah Foods	20.5	14.6	29.1	19.7	27.9	11.2	13.2	18.9	NM	–6.0	186.8	1,059	39
Quaker Oats	20.3	22.8	16.2	11.1	22.5	10.6	13.5	4.4	14.0	32.6	–17.2	5,735	214
Hershey Foods	20.2	21.1	16.2	13.1	15.1	9.9	6.0	11.6	13.8	16.1	–21.6	2,412	163
Sara Lee	20.0	20.9	21.2	14.7	28.8	9.6	9.2	8.7	12.8	14.1	22.4	11,716	429
Flowers Industries	20.0	20.3	13.1	9.8	29.9	11.3	7.9	8.6	13.5	14.0	–34.9	805	27
Pioneer Hi-Bred Intl	17.5	14.6	17.0	15.6	2.4	12.6	9.9	–0.9	6.6	NM	59.3	867	98
Curtice Burns Foods	17.4	16.7	16.9	8.8	66.9	9.9	4.5	21.1	9.8	6.7	1.9	853	15
Borden	15.8	17.3	def	0.2	45.5	5.0	11.4	7.9	11.3	14.5	P-D	7,624	–67
Campbell Soup	15.4	15.4	1.4	2.5	23.2	9.3	7.9	16.7	8.4	8.2	–89.6	5,863	27
McCormick & Co	14.9	12.9	45.4	29.6	37.4	10.8	10.1	6.5	7.4	–4.7	303.4	1,234	132
Universal Foods	14.8	14.3	22.3	16.0	32.3	9.1	10.0	16.4	6.5	8.8	43.4	837	40
Gerber Products	14.7	14.5	28.3	20.4	27.4	7.2	4.1	10.2	NM	NM	108.1	1,106	94
Seaboard	14.1	13.8	15.5	9.9	20.6	NM	39.5	36.2	7.9	24.0	55.4	524	27
Geo A Hormel	13.5	14.1	16.7	15.8	3.8	5.9	12.3	2.1	8.0	16.1	16.6	2,341	70
Intl Multifoods	13.0	12.2	9.8	8.2	29.3	6.3	11.7	10.2	2.6	NM	–5.4	1,985	30

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

of the 1980s—are companies built on big brands and the means to support them with heavy advertising. In the beer business, consolidation continued when the nation's fourth-largest brewer, Adolph Coors, agreed to pay $425 million to acquire Stroh, the number three player, pending approval from the federal government.

Anheuser-Busch surprised everyone by announcing a competitive price strategy that is sure to squeeze margins. The goal, of course, is to maintain market share as volume in the beer business continues to fall. Future growth depends on how shrewd the big companies are in developing niche products, like dry beer, which so far has proved a moderate success, with 1% of the total beer market, says Wheat First Securities analyst John Maxwell.

Coca-Cola and PepsiCo at last declared a cease-fire in their two-year pricing war. In 1989 the two soda giants raised prices 3%. But volume in the U.S. is up only 2%. The best opportunities for growth lie abroad, where volume is expanding at more than 10% a year. Coke, the most recognized logo in the world, already gets more than three-quarters of its earnings outside the U.S., versus 15% for PepsiCo. Overall, volume is expected to be stagnant next year as Pepsi and Coke struggle to keep prices up.

Cigarette makers will continue to use the cash flow from tobacco to develop other businesses, shielding themselves from the steady decline in smokers. Here, too, the only growth potential seems to be outside the U.S.

The food industry stands on more solid ground. Food is not

THE SYSCO BID

As long as Americans go to school, dine out, travel, get arrested, get sick and grow old, Sysco Corp. can count on doing a healthy business. Based in Houston, Sysco is the nation's largest distributor of food and related items to restaurants, fast-food chains, hospitals, nursing homes, schools, hotels and prisons. The company's trucks make deliveries in every state in the continental U.S., plus western Canada. With its 1988 acquisition of CFS Continental from Tate & Lyle Plc., Sysco increased its sales to $7 billion, twice that of its nearest competitor. Yet its debt-to-capital ratio, at 47%, remains on par with the food service industry average.

Over the past ten years, Sysco has bought about 40 regional distributors, many of them mom-and-pop outfits struggling to compete in this low-margin business. The resulting economies of scale, coupled with the traditional strength of the food service business in good times and bad, have helped Sysco return an impressive average 18% a year on equity since 1979.

The future looks just as bright. Chairman John Woodhouse, 59, plans to acquire more of the country's 3,500 independent distributors. Even if the eat-out craze falters, Sysco feels its strong position in institutional food service should enable it to improve its 4% operating margins. C.J. Lawrence analyst James Murren says that Sysco is already the nation's most efficient outfit.

From 60 warehouses around the country, the company can deliver every order within 24 hours. Fruit and vegetables, increasingly in demand from a more health-conscious society, are kept fresh for as long as a month in oxygen-free containers. During the drought in 1988, Sysco turned to its vast network of foreign suppliers—from 30 countries in all—for fresh produce.

Now the company is responding to the take-home craze by increasing service to deli departments of supermarkets and take-out windows at fast-food outlets. When a company as big as Sysco is that fleet of foot, you have to like its long-term prospects.—E.G.

Dan Ford Connolly

Supreme
Chocolate

Sysco Corp.'s John Woodhouse

a luxury item and, in most cases, is not harmful to one's health. The big players have been able to respond quickly to changes in consumer tastes, offering salad bars and healthier foods. Supermarket suppliers such as Fleming, Super Valu and Wetterau plan to continue growing by acquiring smaller wholesalers. The same holds true for Sysco, Rykoff-Sexton and Kraft Foodservice, which distribute to away-from-home food outlets such as nursing homes and restaurants. "Look for food companies to get into prepared foods as Americans continue to favor take-home meals," says food industry analyst Philip Lempert.

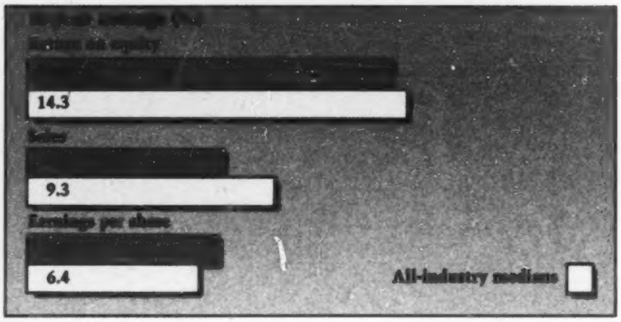
Last year food processors and distributors handily outperformed American industry in earnings growth. The 1990s should be no different. ■

Food, drink & tobacco	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital**		**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Archer Daniels	12.9	12.9	15.6	12.8	16.4	12.5	8.7	8.7	11.5	24.9	25.1	7,811	451
United Brands	9.2	13.7	18.6	10.9	48.3	NM	0.9	9.1	9.7	14.4	24.2	3,755	77
American Maize	5.5	4.7	2.9	6.6	30.8	4.7	8.6	12.3	–7.3	NM	–53.8	604	4
Thorn Apple Valley	4.0	2.2	8.7	9.0	38.9	4.2	–3.1	3.0	NM	NM	–5.6	609	3
Castle & Cooke	NA	16.6[d]	11.9	7.5	29.5	NA	8.6[c]	13.0	NA	63.1[d]	–29.7	2,607	90
General Mills	NA	34.3[d]	45.0	22.3	26.3	NA	5.7	11.7	NA	13.3	16.6	5,785	310
Hudson Foods	NA	39.3	26.9	13.7	33.4	NA	22.5	13.0	NA	NM	466.7	620	23
IBP	NA	NA	9.1	7.6	46.2	NA	7.3	7.0	NA	NA	–21.0	9,263	44
Pilgrim's Pride	NA	35.8	29.8	14.0	54.5	NA	14.4	30.5	NA	NM	D-P	661	20
Whitman	NA	NA	21.4	11.4	52.8	NA	15.5[c]	17.4	NA	31.5[c]	–7.7	3,956	215
Medians	20.0	20.3	20.3	14.0	28.0	9.1	9.2	10.3	10.6	14.0	14.8		
Food distributors													
Marriott	23.3	24.4	32.5	7.9	69.7	19.8	20.4	11.9	20.0	18.1	13.4	7,969	241
Super Valu Stores	21.6	19.4	17.8	12.3	39.5	13.3	12.0	10.1	11.8	8.5	12.8	10,794	139
Sysco	17.9	16.9	16.4	14.7	47.5	17.8	17.3	46.4	16.1	12.1	5.9	7,171	113
Wetterau	16.3	17.7	17.9	11.5	48.6	16.5	12.1	12.0	11.5	10.6	12.4	5,138	45
Super Food Services	15.7	16.7	16.6	12.5	39.7	7.9	5.2	7.5	19.5	16.8	9.4	1,692	16
Fleming Cos	14.2	11.8	12.1	7.8	55.0	17.3	16.1	30.7	6.6	–3.7	50.0	12,328	80
Nash Finch	13.4	13.4	8.1	7.7	32.4	9.6	13.9	7.7	6.6	10.6	–42.6	2,203	12
Rykoff-Sexton	12.2[a]	11.9	10.2	9.3	36.6	21.0[a]	26.2	12.8	7.5[a]	7.7	7.2	1,331	20
Di Giorgio	5.2	5.2	11.2	10.7	45.5	1.5	NM	12.3	NM	NM	17.0	1,132	9
Pinevest Foods	NA	NA	def	def	70.9	NA	NA	10.5	NA	NA	P-D	687	–11
Imperial Holly	NA	11.2	29.8	15.8	37.2	NA	12.3	41.5	NA	22.2	500+	694	27
Richfood Holding	NA	NA	def	def	34.3	8.4	6.7	0.2	NA	NA	NA	1,181	–4
TW Services	NA	12.0	6.0	6.3	63.1	NA	26.0	6.6	NA	NM	–53.4	3,733	30
Medians	15.7	13.4	12.1	9.3	45.5	14.9	13.1	11.9	11.5	10.6	10.9		
Beverages													
Coca-Cola	26.5	29.3	39.4	28.7	15.9	6.5	3.5	5.3	10.9	16.1	24.3	8,744	1,202
PepsiCo	23.7	27.4	27.9	18.2	57.6	9.9	11.6	19.1	12.6	27.5	22.6	14,636	887
Anheuser-Busch Cos	21.5	22.6	24.4	13.9	30.3	15.0	8.3	5.5	18.5	17.9	12.2	9,359	765
Brown-Forman	19.5	17.8	30.5	20.9	14.4	15.6	10.9	–5.5	12.8	7.5	53.7	994	151
Seagram	12.6	12.5	13.3	10.2	27.3	7.5	15.8	32.3	13.6	11.4	8.0	4,311	656
Adolph Coors	6.2	5.2	3.3	2.8	0.0	8.4	6.3	15.4	–2.5	–8.9	–27.3	1,686	35
Coca-Cola Enterprises	NA	NA	6.7	6.3	47.4	NA	45.5	2.9	NA	25.0	8.2	3,865	124
Medians	20.5	20.2	24.4	13.9	27.3	9.2	10.9	5.5	12.7	16.1	12.2		
Tobacco													
UST Inc	32.4	34.6	38.6	35.4	2.4	11.9	9.4	7.3	18.3	17.7	16.9	649	185
Philip Morris Cos	28.4	30.8	31.6	11.2	62.3	17.2	25.6	46.1	17.8	22.1	11.9	36,370	2,425
Loews	24.3	25.6	24.4	19.2	20.1	11.7	18.5	8.6	20.2	24.4	6.4	11,025	980
American Brands	19.7	19.5	23.1	13.9	37.1	6.4	10.3	–3.9	6.7	10.1	3.7	7,288	587
Universal	18.9	18.8	14.5	12.1	16.5	8.1	19.5	13.4	11.2	11.5	–23.3	2,910	47
Dibrell Brothers	17.2	15.8	23.4	13.9	51.6	3.3	4.5	26.5	20.1	9.3	43.1	715	16
Culbro	15.2	13.0	def	0.5	43.3	12.4	4.5	12.4	NM	NM	P-D	947	–3
Std Commercial	11.9	8.6	def	def	21.6	10.8	17.0	17.2	NM	–22.8	P-D	957	–6
Medians	19.3	19.2	23.2	13.8	29.3	11.2	13.6	12.9	14.5	10.8	5.1		
Industry medians	18.4	17.5	17.8	12.8	32.3	9.6	10.6	10.6	11.4	12.7	12.3		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

FOREST PRODUCTS & PACKAGING



In a mild industry downturn, paper firms cope with merger talk and conservationists.

By Paul Klebnikov

MAKING THINGS TOUGHER for the forest products industry, currently entering a cyclical downturn, is the spotted owl. The feathered creature could still make its way onto the endangered species list, and that would put some 2.6 million acres of virgin northwestern National Forest off limits to U.S. timber companies. Other species in other parts of the country with some level of official protection include the red-cockaded woodpecker, the Red Hills salamander and the gopher tortoise.

Taken together, protection for these animals could cost the forest products industry billions of dollars in higher raw materials costs and lost business. While many firms that are net buyers of timber will suffer, those companies with major timberland holdings of their own, such as International Paper, Westvaco and Champion International, stand to benefit.

Interestingly, another environmental problem—waste disposal—could actually help the paper industry. So far 26 states have comprehensive recycling laws, often including the collection of wastepaper, and that could open a huge "urban forest" for packagers and papermakers. But because few companies have yet to set up de-inking facilities and convert their machinery for recycling, the advantages of using cheap waste-

PAPER'S TIGER

In the 1980s International Paper transformed itself from a plodding behemoth into one of the most aggressive forest products companies in the world. Much of the credit goes to John Georges, the lanky chairman and chief executive who joined the company from Du Pont in 1979. Georges, now 58, has presided over the investment of some $7 billion to modernize the company's rusting technological base. International Paper has moved from a high-cost to a low-cost producer in its major product lines. Now he can play. Last year's anticipated $11 billion in revenues are double 1986 levels, while earnings have tripled, to an estimated $850 million.

Even with the industry in a downturn this year, the company's capital expenditures will continue to escalate, hitting a projected $1 billion. With debt under 30% of capitalization, International Paper can afford to spend. Says Georges confidently, "We still have lots of financial flexibility."

Over the years Georges has used the company's enormous resources cleverly. The U.S. operations are diversified but interrelated. Besides its various paper and paperboard operations, the company has 6.5 million acres of timberland, a small oil and gas subsidiary, an extensive paper distribution network, and even a chemical subsidiary to process paper mill by-products. To minimize the cyclicality of earnings, International Paper has expanded into higher-value-added specialty products. That means less lumber and more paneling, less pulp and more photocopier paper.

But perhaps Georges' smartest moves have been overseas. International Paper has acquired paper and chemical companies in Sweden, Germany, Great Britain and France for $700 million. These give the company a strong position in Europe and some protection from industry cycles in the U.S. International Paper's exports from the U.S. ($1.2 billion last year) together with the revenues of all foreign subsidiaries may account for 30% of the company's sales by 1992.

"Expanding overseas permits us to grow without forcing growth here in the U.S.," says Georges. "We have to compete globally. The technology is global, many of the markets are global, and we have to have the flexibility to pursue all good opportunities."—P.K.

Nina Barnett

International Paper's John Georges

paper are accruing only to established users such as Sonoco Products, P.H. Glatfelter and now privately held Jefferson Smurfit.

Until last year the paper and lumber companies remained a chummy bunch, largely avoiding the sometimes hostile takeover wave that swept U.S. industry in the 1980s. But all that changed in October with Georgia-Pacific's $3.8 billion hostile bid for Great Northern Nekoosa. Timber and paper stocks are generally selling at about seven times earnings, meaning it is far cheaper to buy capacity than to build it. Look for the better-capitalized players in this overcrowded industry to turn increasingly predatory.

As for the current cyclical downturn, it hasn't been bad—so far. Average prices for paper and paperboard peaked last year at levels about 7% higher than the 1988 average. Shipments are stable and may even inch up this year. But with papermaking capacity growing faster, prices are expected to decline about 8% this year. Most vulnerable to overcapacity are newsprint, wood pulp (the raw material for paper and paperboard) and possibly containerboard. By contrast, prices for bleached products and boxboard look strong.

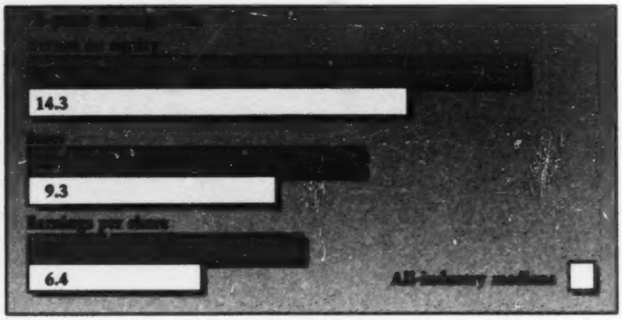
In the packaging industry, last year was a good one for most companies. Reason: Prices have stabilized or declined for raw materials such as aluminum, wastepaper and plastic. With some recent strength in polyethylene prices, however, packagers using plastics may report lower earnings this year. ■

Forest products & packaging	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Paper & lumber													
PH Glatfelter	21.9	24.2	27.9	22.5	7.2	10.1	15.1	8.5	17.2	22.7	27.0	600	94
Consolidated Papers	20.1	21.3	22.4	18.6	0.0	7.4	7.0	6.3	11.1	18.4	10.2	932	160
James River Corp Va	17.8	14.1	10.9	7.7	40.2	39.1	24.5	10.0	14.5	2.5	12.5	6,024	257
Pentair	17.3	15.9	14.4	8.2	46.5	20.3	18.7	37.7	6.5	11.0	–15.7	1,100	38
Federal Paper Board	17.0	20.1	35.0	19.2	34.0	11.7	15.3	18.0	14.0	40.1	88.0	1,258	205
Bowater	17.0^{a}	16.9	18.3	11.9	27.3	7.6^{a}	12.1	4.1	NM	12.9	6.9	1,450	158
Willamette Inds	16.3	21.0	24.0	15.7	28.9	6.9	9.2	12.8	9.2	40.6	11.6	1,862	179
Gt Northern Nekoosa	14.6	17.3	22.9	13.0	37.8	11.3	15.9	14.1	7.7	28.2	12.8	3,905	355
Union Camp	14.2	15.0	20.3	12.5	24.5	6.9	8.4	7.2	4.0	15.2	17.1	2,771	316
Pope & Talbot	13.5	18.2	26.1	17.5	22.7	11.0	11.3	27.8	NM	69.8^{d}	41.3	613	42
Mead	13.5	17.7	14.1	9.7	31.1	5.3	14.2	2.1	NM	37.1	–33.0	4,578	228
Westvaco	13.1	14.0	16.9	11.6	29.5	5.7	6.1	7.0	7.2	18.2	11.3	2,284	223
Chesapeake	12.3	14.0	18.7	11.3	41.4	14.8	22.2	12.0	7.4	30.6	2.4	784	53
Georgia-Pacific	11.4	14.9	24.9	12.6	42.3	7.1	8.2	12.3	NM	44.7	54.7	10,300	633
Potlatch	11.4	14.3	18.3	11.5	28.0	3.0	2.6	13.9	NM	33.6	22.7	1,197	130
Weyerhaeuser	9.9	11.8	15.7	9.2	47.8	8.6^{a}	11.7	10.1	NM	25.7	15.0	10,598	624
Boise Cascade	9.5	12.2	17.3	12.4	32.6	4.4	2.5	6.7	NM	39.2	10.6	4,307	293
Champion Intl	8.6	11.4	13.5	9.6	33.4	4.0	NM	4.8	NM	48.8^{d}	7.7	5,211	449
Albany International	NA	25.5	23.0	14.7	39.7	NA	14.5	10.5	NA	47.9^{c}	14.0	495	41
Louisiana-Pacific	NA	12.5^{c}	14.7	11.8	21.1	NA	16.8^{c}	10.4	NA	49.7^{c}	27.0	1,952	171
Medians	13.9	15.5	18.5	12.1	31.9	7.5	11.9	10.3	5.3	32.1	12.6		
Packaging													
Sonoco Products	19.2	20.8	22.8	14.9	30.1	15.2	19.3	5.2	12.9	20.2	23.6	1,655	103
Stone Container	19.1	26.4	31.0	25.2	70.0	31.7	41.2	32.4	24.0	NM	13.1	4,861	330
Longview Fibre	17.4	24.2	21.4	15.0	27.1	7.4	10.1	10.9	14.4	41.8	–18.0	697	76
Ball Corp	15.6	14.5	5.6	4.5	23.7	7.8	2.3	8.9	8.4	NM	–58.8	1,149	25
Bemis	13.6	15.4	18.0	13.1	24.7	4.5	8.1	3.7	10.3	26.7	23.0	1,078	45
Crown Cork & Seal	13.4	14.6	14.7	12.5	2.4	2.9	7.4	3.0	8.8	21.3	7.5	1,870	94
Constar Intl	11.7	13.7	21.7	13.7	35.6	2.5	NM	3.7	2.1	8.5	120.9	554	19
International Paper	9.8	11.3	18.8	12.6	26.0	6.1	17.4	22.0	NM	34.3	30.8	10,933	873
Kerr Glass Mfg	def	def	def	5.2	61.3	–4.6	–4.8	4.1	NM	NM	D-D	282	†
Gaylord Container	NA	NA	26.8	11.1	69.3	NA	NA	11.1	NA	NA	–19.0	746	39
Temple-Inland	NA	15.4	19.1	12.9	22.9	8.6^{a}	12.8	3.1	NA	27.2	14.6	2,118	210
Medians	13.6	15.0	19.1	12.9	27.1	6.7	9.1	5.2	8.8	20.7	13.1		
Industry medians	13.6	15.2	18.8	12.5	30.1	7.4	11.5	10.0	7.2	27.0	12.8		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

HEALTH



With costs sky-high for developing new drugs, mergers proliferate.

By Michael Fritz

DRUG COMPANIES saw their profits rise 18% last year on the strength of price increases of about 8% and growing sales of heart disease drugs. Some 40% of the U.S. drug industry's revenues came from overseas last year, and that percentage might have been even higher had it not been for the strong dollar.

To cope with the rising costs of bringing new drugs to market, more companies initiated mergers, joint ventures and marketing agreements last year. Thus, SmithKline Beckman, facing falling sales for its two most profitable drugs, Tagamet and Dyazide, merged with research-rich Beecham Group. Similarly, Marion Laboratories agreed to wrap itself into Dow Chemical's Merrill Dow subsidiary, and Bristol-Myers teamed up with Squibb to form a pharmaceutical powerhouse second only to Merck.

Investors, meanwhile, inched back toward the fledgling biotechnology industry, helping companies raise about $600

Health	Profitability					Growth						Sales	Net income
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Drugs													
American Home Prods	35.0	35.5	33.7	32.9	2.7	5.1	2.9	5.8	10.9	9.6	10.0	5,729	1,005
Syntex	31.2	36.4	47.9	38.1	27.2	11.3	7.6	5.7	19.8	20.9	4.1	1,390	312
Merck	30.8	37.8	50.3	38.3	2.5	9.8	12.8	9.0	13.5	25.0	26.4	6,324	1,435
Abbott Laboratories	30.4	33.3	33.8	26.3	7.3	12.3	11.4	7.5	18.1	18.5	16.4	5,231	829
Marion Laboratories	30.0	39.1	15.1	16.1	0.0	21.7	34.3	22.0	33.6	57.7	–54.3	960	79
Cardinal Distribution	24.1	17.8	13.5	11.1	7.1	20.8	22.4	31.6	31.9	23.8	–26.0	795	10
Eli Lilly	23.1	23.5	26.1	23.6	6.3	7.0	6.1	12.8	10.1	11.0	21.8	4,434	890
Rorer Group	21.8[a]	21.6	15.1	9.6	49.9	15.4[a]	20.6	10.6	8.0[a]	11.0	18.2	1,104	69
Pfizer	20.4	20.7	16.8	15.5	4.3	7.7	7.9	4.8	13.6	11.1	–6.8	5,546	736
Warner-Lambert	19.9	27.0	39.9	28.2	20.1	1.3	4.1	8.6	9.3	NM	22.0	4,150	398
Upjohn	19.0	19.9	20.5	17.1	10.4	6.3	6.4	8.7	8.5	17.7	9.2	2,926	374
Schering-Plough	18.5	20.7	27.0	23.3	8.9	8.2	11.4	7.9	4.3	14.5	21.4	3,121	453
Bergen Brunswig	15.9	14.3	19.3	12.2	15.8	24.9	21.0	12.5	13.6	7.0	22.2	3,923	48
Bindley Western Inds	14.9[a]	9.6	8.1	6.8	52.8	18.2[a]	21.7	21.6	8.3[a]	–6.8	118.5	1,474	4
McKesson	12.9	12.4	13.1	11.6	34.1	8.3	11.4	2.3	NM	5.4	12.1	7,351	107
Durr-Fillauer	12.9	12.1	18.7	14.6	2.6	23.0	17.0	18.1	11.8	7.0	138.2	674	14
National Intergroup	def[a]	def	5.3	6.4	35.0	–2.4[a]	5.7	8.1	NM	NM	D-P	3,114	26
AH Robins	def	def	NE	def	NE	10.5	10.7	–0.9	9.9	NM	D-P	919	44
Bristol-Myers Squibb	NA	NA	28.0	26.9	4.7	NA	12.2[c]	7.2	NA	NA	15.2	8,973	1,393
Medians	20.1	20.7	19.3	16.1	7.3	10.1	11.4	8.6	10.5	11.0	18.2		
Health care services													
Humana	24.4	19.9	21.7	18.1	41.8	16.3	14.1	19.0	18.9	NM	11.3	4,088	256
Manor Care	22.2	17.1	11.8	6.6	60.6	34.9	9.6	16.9	NA	NA	D-P	642	23
National Medical	15.3	12.5	14.5	7.7	51.5	31.7	12.5	15.5	13.1	NM	0.0	3,820	152
Universal Health	11.8	5.9	5.2	6.3	48.2	30.7[a]	14.9	5.5	NM	–11.0	Z-P	578	8
Beverly Enterprises	7.1	0.8	def	def	54.4	34.0	13.5	3.8	NM	NM	D-D	2,085	–118
FHP International	NA	NA	34.9	24.5	23.5	NA	41.5	37.9	NA	47.4	81.5	757	25
PacifiCare Health	NA	23.3[c]	24.6	23.8	5.9	76.2[b]	71.2	45.9	NA	NM	83.0	581	9
United HealthCare	NA	def	61.9	17.3	49.1	NA	NM	–18.1	NA	NM	D-P	381	10
US Healthcare	NA	19.7	13.7	13.9	0.0	61.4	49.3	29.8	NA	NM	133.3	908	20
Medians	15.3	14.8	14.5	13.1	48.2	34.0	14.1	16.9	NM	NM	83.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Health	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Medical supplies													
CR Bard	**20.8**	22.8	22.6	21.3	17.5	**14.3**	14.3	6.4	**20.7**	20.8	1.9	780	74
Medtronic	**20.2**	19.7	21.1	20.3	1.6	**10.9**	9.2	8.9	**14.2**	14.3	7.3	777	100
Hillenbrand Inds	**19.2**	19.8	20.5	16.2	20.7	**12.8**	15.4	15.7	**13.0**	16.8	4.3	967	72
Bausch & Lomb	**16.8**	17.6	17.1	14.8	20.4	**6.4**	12.9	27.4	**10.2**	14.9	15.3	1,178	109
Becton Dickinson	**14.5**	16.5	22.2	15.7	30.9	**7.9**	9.8	6.0	**9.8**	34.6	34.7	1,811	214
Baxter International	**12.9**	11.2	11.0	8.9	34.2	**21.4**	37.5	8.7	**NM**	15.6	15.2	7,263	428
Owens & Minor	**12.7**	12.8	5.7	7.1	53.6	**20.4**	23.6	24.0	**12.0**	10.9	–46.6	866	4
Corning	**12.5**	14.5	14.8	12.1	22.8	**4.6**	6.2	12.0	**4.8**	25.0	–21.2	2,371	238
Healthco Intl	**10.6**	12.7	6.2	6.0	30.8	**6.4**	13.1	–2.5	**NM**	8.9	–36.8	432	9
Beckman Instruments	**NA**	NA	18.4	14.7	24.5	**NA**	10.3^c	3.4	**NA**	NA	–2.6	785	43
Henley Group	**NA**	NA	NA	NA	NA	**NA**	NA	NA	**NA**	NA	NA	NA	NA
Medians	**14.5**	**16.5**	**17.1**	**14.7**	**23.7**	**10.9**	**13.0**	**8.8**	**10.2**	**15.6**	**3.1**		
Industry medians	**18.7**	**17.8**	**18.4**	**14.7**	**20.6**	**12.5**	**12.7**	**8.8**	**10.2**	**11.0**	**15.2**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

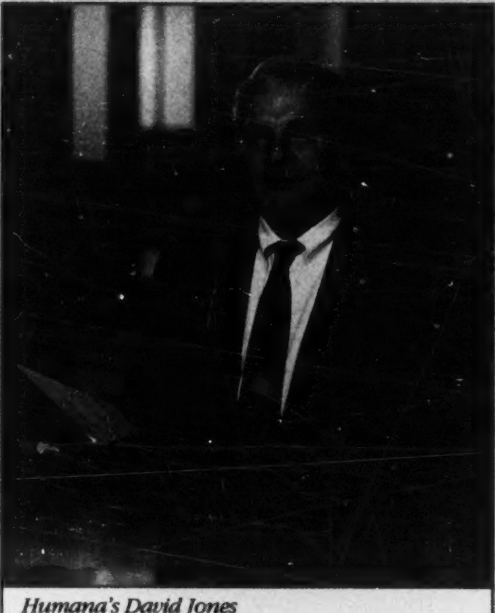
SIGN 'EM UP BEFORE THEY'RE SICK

Nearly a decade ago, Humana's David Jones saw the handwriting on the wall: Spiraling medical costs would soon force the government to clamp down on Medicare spending. When the industry's worst fears were realized in 1983, Jones anticipated the ensuing trench warfare for private patients. Almost immediately Humana unrolled a bold blueprint to build a network of insurance plans and participating doctors to feed private patients into the company's hospitals.

Though the strategy got off to a bitter start—with $170 million in operating losses for group health insurance between 1986 and 1988—his foresight is now beginning to pay off. Last year Humana's group health division—with nearly 1 million members—provided 16% of the company's hospital patients and turned a $4 million operating profit for the fiscal year ended last August. More important, it delivered paying private patients to the firm's core business, the hospital chain, which last year reported a 13% rise in profit, to $256 million, on revenues of $4 billion.

While national hospital admissions slipped 1.5% last year, Humana's rose 1.6%. Health plan customers should contribute an estimated 20% of Humana's hospital patients by next year.

Wathen Hower/Quadrant



Humana's David Jones

"Competition for patients starts when consumers choose their health insurance," says Jones. "Our group health networks have helped us to control our destiny."

Challenges remain. While Humana's health plan customers are using the chain's hospitals for 63% of their care, the remainder of the business—usually in places where Humana doesn't have facilities of its own—ends up at competitors. In Florida, half its group health customers are using non-Humana hospitals. No trifling matter, given that it costs Humana $800 a day to send a patient to an unaffiliated hospital, versus $450 a day at a Humana facility. Jones is working to fill the gaps through acquisitions. Last November Humana agreed to buy a 300-bed hospital in Pembroke Pines, Fla.

Jones intends to start another insurance network, this one in markets where no Humana hospitals exist. Under this plan, Humana will offer participating doctors and hospitals a slice of the insurance premium.

Where you can't beat 'em, join 'em.—M.F.

million in badly needed capital and driving the Vector biotech stock index up 40%, versus a 27% gain for the S&P 500. With biotech drug sales finishing the year at an estimated $800 million, the industry at last can be said to be moving to the commercial phase of product development. The rub: As these companies scramble to launch new drugs, they must walk the delicate line of continuing to invest in research while satisfying investors' desires to see strong earnings.

For health care service companies, it's taken five long, bloody years to adjust to the government's war on Medicare spending. Now at last they are learning to eke out a profit. Hospitals have trimmed costs by eliminating excess beds, discharging patients sooner and shifting many expensive hospital procedures to less costly outpatient clinics. But sadly, the biggest factor behind the industry's stabilization has been its ability to recover losses on Medicare business by boosting charges to private patients.

Last year, with hospital costs up some 8% and Medicare payment rates up 3.3%, hospital chains made up the difference—and then some—by raising fees to private patients more than 20%, for the second year in a row.

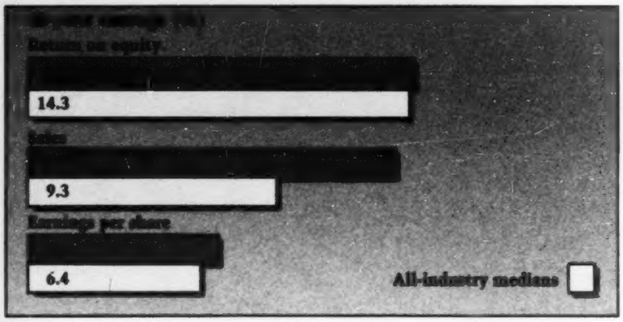
Nonetheless, elderly Americans howled at the prospect of paying for their Medicare benefits, and Congress listened, voting to repeal the Medicare Catastrophic Coverage Act in November. That means nursing home operators like Manor Care and troubled Beverly Enterprises could suffer margin pressure because of the many Medicare patients they serve.

Medical suppliers, meanwhile, continue to increase sales through a wide array of diagnostic products, including AIDS tests and ultrasound equipment that simplifies diagnoses. Look for more breakthroughs here in the 1990s, benefiting companies like Abbott Laboratories and Becton Dickinson. ■

Biotech	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Diagnostic Products	NA	24.7	23.6	25.1	0.0	NA	26.5	24.9	NA	33.8	22.3	56	14
ALZA	NA	19.7	10.3	8.1	30.4	NA	29.3	9.9	NA	69.4	4.0	80	18
Life Technologies	NA	17.7	13.9	13.5	5.7	NA	17.6	7.8	NA	16.7	8.1	135	13
Applied Biosystems	NA	15.5	14.2	14.9	2.6	NA	79.4	11.6	NA	33.8	–9.6	158	17
ICN Biomedicals	NA	9.5	10.4	8.9	30.0	NA	47.6	7.5	NA	NM	–1.3	53	4
Molecular Biosystems	NA	4.3	16.7	15.1	13.0	NA	NM	231.5	NA	NM	390.0	16	5
IGI	NA	2.4	1.8	2.9	30.9	NA	–2.9	13.2	NA	NM	–60.0	18	0
Collagen	NA	1.6	9.1	7.6	27.7	NA	18.1	44.8	NA	NM	D-P	47	3
Biotech Research Labs	NA	def	7.4	6.9	29.5	NA	54.1	–3.4	NA	NM	–50.0	17	1
Amgen	NA	def	def	def	28.0	NA	70.4	69.5	NA	NM	P-D	102	–4
Synergen	NA	def	def	def	12.8	NA	23.8	76.3	NA	NM	D-D	9	–2
Immucor	NA	def	9.1	9.4	0.0	NA	31.3	15.7	NA	NM	56.0	10	2
Enzo Biochem	NA	def	def	def	76.4	NA	33.3	32.2	NA	NM	D-D	12	–4
Genetics Institute	NA	def	def	def	0.9	NA	35.4	151.9	NA	NM	D-D	50	–15
Immunex	NA	def	def	def	53.6	NA	82.9	31.2	NA	NM	P-D	21	–10
Genzyme	NA	def	def	def	8.6	NA	34.6	44.9	NA	NM	P-D	31	–7
Cetus	NA	def	def	def	57.0	NA	14.0	–44.2	NA	NM	D-D	19	–51
Gamma Biologicals	NA	def	def	def	22.3	NA	4.7	–1.7	NA	NM	D-D	18	–2
Centocor	NA	def	0.1	0.7	13.3	NA	60.4	5.8	NA	NM	–95.2	60	0
Collaborative Research	NA	def	def	def	0.0	NA	24.9	–22.8	NA	NM	D-D	12	–4
Synbiotics	NA	def	def	def	1.5	NA	73.2	–38.0	NA	NM	D-D	4	–6
Chiron	NA	def[c]	def	def	0.0	NA	65.5	47.9	NA	NM	D-D	36	–17
Hana Biologics	NA	def	5.7	33.1	3.3	NA	34.5	–7.1	NA	NM	D-P	6	4
Immunomedics	NA	def	def	def	7.1	NA	82.9[d]	–52.6	NA	NM	D-D	2	–2
Calgene	NA	def[c]	def	def	5.9	NA	110.3	17.1	NA	NM	D-D	27	–6
Genentech	NA	def	3.1	3.1	26.7	NA	50.1	11.1	NA	76.8	–79.7	366	13
Cambridge BioScience	NA	def	def	def	0.0	NA	80.8	101.4	NA	NM	D-D	5	–6
Damon Biotech	NA	def	def	def	11.5	NA	28.2	–43.2	NA	NM	D-D	4	–5
Applied Bioscience Intl	NA	NA	16.2	13.0	2.6	NA	21.4	25.7	NA	NM	23.2	54	5
Industry medians	**NA**	**def**	**def**	**def**	**11.5**	**NA**	**34.5**	**13.2**	**NA**	**NM**	**P-D**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. c: Four-year average. d: Three-year average. For further explanation, see page 120.

INSURANCE



Natural disasters are bad enough for property and casualty insurers, but political ones are even scarier.

By Jonathan Clements

LAST YEAR WILL LIKELY STACK UP as the insurance industry's worst since 1985. Property and casualty insurers in 1989 got battered not by one major natural disaster but two. First came Hurricane Hugo in September, then October's earthquake in California. Once the losses are toted up, property and casualty insurers will likely find they paid out at least $1.10 for every $1 of insurance they wrote last year.

In the perverse world of insurance, that augurs well for 1990. Explains Fidelity analyst Brian Posner, "Since the quake, premiums are no longer going down." Insurers are expected to use the two disasters as an excuse to boost rates modestly in 1990—and few people will fight the increases.

What worries the insurers more than natural disasters are political ones, the best example of which is the continuing saga of California's Proposition 103, the voter-approved rate reduction primarily aimed at auto insurers. The California Supreme Court upheld the mandatory rate cuts in May but ruled that insurers should be allowed to make a fair rate of return. California's beleaguered insurance commissioner, Roxani Gillespie, ordered a six-month insurance rate freeze in October. She is expected to decide on what counts as a fair rate of return sometime in 1990. Right now the betting is that insurers will be allowed to earn a return on equity somewhat above the 11% that Gillespie initially proposed.

Insurance	Profitability					Growth						Sales	Net income
	Return on equity					Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Diversified													
Marsh & McLennan Cos	34.8	41.3	38.3	28.6	27.2	17.2	20.6	6.1	11.7	36.4	–1.2	2,380	290
Corroon & Black	34.6	48.7	17.2	14.1	6.8	13.8	21.5	10.8	13.1	53.9[d]	–67.1	453	37
Leucadia National	20.4[a]	16.0	12.0	11.1	55.4	35.3	28.6	31.5	39.7[b]	16.1	500+	752	26
Zenith National Ins	19.7	14.9	15.4	14.9	4.7	24.5	33.3	–6.4	9.8	23.0	–4.4	467	45
American Intl Group	19.3	20.0	19.5	15.2	18.3	20.6	30.0	8.9	15.6	28.8	15.7	13,805	1,346
Aon	18.6	18.2	16.3	13.2	23.7	NA	NA	NA	7.6	8.2	25.9	2,320	213
Cincinnati Financial	18.5[a]	18.0	14.2	12.8	0.1	14.2	17.6	6.3	15.5	19.5	–3.9	962	117
Safeco	16.6	18.6	19.0	15.8	15.2	10.3	11.8	13.0	11.8	21.4	36.4	2,964	300
General Re	16.6	16.9	22.4	20.6	3.2	15.0	14.6	–8.6	11.4	34.6	36.8	2,695	598
Old Republic Intl	16.1	14.4	8.2	7.5	18.5	17.6	23.7	8.4	4.1	NM	–46.6	1,151	52
CNA Financial	15.7	17.2	20.4	19.6	1.0	13.0	21.6	13.4	11.6	24.4	38.6	8,957	704
American General	14.4	12.4	11.1	8.2	46.1	17.8	6.2	19.1	4.5	2.7	14.5	4,234	487

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Insurance	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Kemper	14.3	14.7	20.7	15.6	13.8	20.0	15.1	16.3	5.4	22.4	82.6	2,720	328
Uslico	14.2	14.0	10.7	10.0	11.8	NA	27.0[c]	NA	NM	4.3	NA	407	30
Transamerica	12.8	13.1	11.9	7.9	69.4	NA	11.9[c]	NA	NM	11.0	–0.5	6,767	314
Independent Insurance	12.6	10.6	10.8	9.9	6.8	5.7	4.5	6.4	NM	NM	50.6	518	33
Aetna Life & Cas	11.7	12.9	10.8	9.6	12.8	NA	NA	NA	NM	32.4	1.0	18,808	707
American Bankers	11.4	6.4	9.9	7.2	32.9	14.4	20.1	–15.8	4.2	NM	–29.6	630	16
Lincoln National	11.2	10.9	11.1	9.8	13.4	12.4	13.1	14.2	3.5	NM	94.4	7,616	234
Sears, Roebuck	11.1	10.4	7.6	6.9	42.7	8.4	6.7	8.4	4.3	–5.3	–18.6	53,181	1,024
Alexander & Alexander	NA	12.5	16.1	11.1	29.9	NA	10.5	4.0	NA	NM	1.4	1,238	60
Cigna	NA	7.6	9.5	8.9	10.4	NA	6.0[c]	5.8	NA	NM	10.8	15,436	502
Reliance Group	NA	21.1	def	0.7	57.2	NA	11.7	26.3	NA	NM	P-D	3,674	–56
Travelers	NA	7.1	12.0	11.0	15.4	NA	5.6[c]	NA	NA	–37.7[c]	NA	11,918	556
Medians	**15.9**	**14.6**	**12.0**	**11.1**	**15.3**	**14.7**	**14.9**	**8.4**	**6.5**	**9.6**	**6.1**		
Life & health													
American Family	20.5	22.8	12.7	6.6	5.9	22.0	28.7	7.3	17.8	27.8	–24.6	2,405	82
Torchmark	19.6	22.4	27.4	17.0	35.6	18.3	12.3	0.6	17.9	19.9	22.6	1,652	199
Capital Holding	16.5	18.4	21.4	14.8	12.3	16.1	14.1	27.0	13.4	19.5	86.8	2,392	258
American Natl Ins	14.0	11.6	6.6	6.0	0.0	4.6	4.9	8.4	7.6	–11.1	20.9	1,019	100
Provident Life & Acc	13.4	12.1	12.8	11.2	15.4	12.8	20.3	1.2	7.1	NM	107.5	2,767	139
Jefferson-Pilot	11.8	10.9	9.6	8.6	0.0	4.6	4.3	10.8	7.1	NM	45.0	1,251	126
BMA	11.7	10.4	14.7	16.1	7.1	7.8	6.9	4.0	6.3	NM	197.5	529	46
Monarch Capital	11.3	11.4	4.3	4.9	31.2	13.9	16.3	19.7	NM	NM	–35.7	487	16
USLife	10.4	9.2	8.6	7.7	26.1	4.7	3.5	10.8	1.6	3.2	16.9	1,190	79
Liberty Corp	9.4	10.1	5.6	4.7	43.3	NA	10.2	–5.0	4.5	13.0	–54.5	333	15
Washington National	4.4	0.4	def	def	9.3	NA	NA	NA	NM	NM	D-D	NA	–7
Broad	NA	def[d]	2.8	4.5	52.7	NA	21.3[d]	24.3	NA	NM	D-P	616	6
Conseco	NA	40.3	57.7	15.7	66.2	NA	NM	2.9	NA	NM	83.0	591	45
First Capital Holding	NA	41.5	26.9	13.2	46.1	NA	NM	34.6	NA	54.6	32.7	914	68
First Executive	NA	11.2	2.3	4.7	11.7	NA	24.3[c]	NA	NA	12.0[c]	NA	2,288	52
ICH	NA	NA	def	1.6	65.0	NA	NA	NA	NA	NA	NA	2,239	–75
Kentucky Central Life	NA	NA	0.0	NA	34.2	NA	NA	NA	NA	NA	NA	NA	NA
NWNL	NA	NA	0.0	NA	25.1	NA	NA	NA	NA	NA	NA	NA	NA
UNUM	NA	NA	12.1	11.0	0.0	NA	13.2	13.1	NA	NA	52.7	1,876	155
Medians	**11.8**	**11.4**	**8.6**	**7.7**	**25.1**	**12.8**	**12.3**	**9.6**	**7.1**	**–11.1**	**32.7**		
Property & casualty													
Geico	33.6	32.7	22.7	19.3	20.7	10.9	15.8	7.7	19.4	17.7	9.0	1,864	173
Progressive	29.9	32.5	25.3	15.6	57.5	28.1	41.5	14.1	27.5	42.1	28.0	1,375	105
20th Century Inds	29.5	29.1	34.9	33.7	2.4	29.9	32.3	16.3	22.9	42.0	78.1	690	84
Hartford Steam Boiler	23.5	28.5	27.3	22.1	9.7	11.6	14.9	6.3	20.3	39.0	11.0	471	77
Mercury General	22.8[b]	22.6	11.6	10.5	13.0	30.4[b]	46.7	16.4	22.7[b]	30.8	–37.7	507	17
Selective Insurance	18.3	19.8	19.1	17.6	8.7	13.6	12.7	9.9	13.0	NM	–3.1	513	41
First American Finl	17.6	19.8	6.4	5.5	31.7	NA	20.9	13.1	8.7	NM	–28.2	697	9
Hanover Insurance	17.2	19.8	14.3	14.2	0.0	14.7	21.8	2.3	12.4	43.7	–19.6	1,603	94
Berkshire Hathaway	15.9	15.8	13.4	12.6	16.3	21.5	38.1	6.1	29.0	21.6	32.7	2,487	457
Chubb	15.2	17.2	16.9	14.2	13.7	14.7	19.3	8.4	9.2	32.5	20.7	4,124	398
Ohio Casualty	14.6	15.9	19.2	17.8	NA	8.3	12.3	0.8	NM	27.6	92.5	1,589	138
WR Berkley	13.3	22.3	18.6	15.2	24.0	21.0	33.5	2.2	15.1	57.7[d]	0.0	543	55
Foremost Corp of Amer	13.1	11.3	11.0	8.9	25.0	8.9	8.0	0.6	3.4	NM	–28.5	454	22
Fremont General	13.1	8.7	4.5	5.2	43.4	7.6	–5.3	14.3	NM	NM	–44.9	449	7
St Paul Cos	12.4	15.2	16.8	16.4	6.4	8.6	10.4	8.9	4.4	50.1[d]	8.0	3,801	356
USF&G	11.3	11.6	2.7	3.6	14.9	9.9	15.1	0.0	NM	NM	–79.2	4,648	68
ITT	10.0	10.2	10.5	9.1	34.9	–2.0	–1.6	11.6	NM	13.1	–16.8	20,157	845
Xerox	9.9	8.7	7.1	7.6	48.3	10.0	9.1	5.6	–6.1	NM	–35.4	17,362	415
Continental Corp	8.9	7.7	def	def	13.8	7.9	8.4	4.7	NM	NM	P-D	6,089	–31
Orion Capital	3.1	2.1	17.6	11.3	37.7	14.7	15.8	16.2	NM	NM	29.2	815	32
Alleghany	NA	NA	9.8	9.0	23.5	NA	105.7	3.0	NA	NA	17.9	1,024	53
AmBase	NA	14.6[d]	8.8	7.6	41.9	2.9[a]	6.3	23.8	NA	NM	6.5	3,494	89
Argonaut Group	NA	36.3[c]	18.8	18.2	0.0	NA	NM	–10.2	NA	19.2[c]	–50.8	526	81
Fireman's Fund	NA	13.7	8.3	7.8	24.6	5.6[b]	5.1	–16.1	NA	NM	–27.1	3,527	160
Medians	**14.9**	**15.9**	**13.9**	**12.0**	**20.7**	**10.9**	**15.0**	**7.0**	**8.9**	**17.7**	**–1.6**		
Industry medians	**14.4**	**14.7**	**12.0**	**11.0**	**17.3**	**13.7**	**14.1**	**8.4**	**7.1**	**9.6**	**9.0**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The California fever is spreading. Nevada's legislature voted to roll back auto rates 15%, while in New Jersey consumer activists tried to get a clone of Proposition 103 put on last November's ballot. Both moves were blocked by the courts, but consumer groups will no doubt continue to hound the insurance industry in 1990.

For health insurers, the news was better. Group health prices turned upward in 1988, helping some of the big diversified insurers like Cigna, Lincoln National and Travelers. These companies also benefited from narrowing losses at their health maintenance organizations.

Life insurers, meanwhile, started to reap the benefits from their huge sales of universal life policies in the early 1980s. Universal life policies give insurers negative cash flow in the early years because of marketing costs and agents' commissions, but now insurers like Capital Holding and Aon are starting to profit from a steady inflow of insurance premiums. The likely result: higher earnings in the early 1990s. ■

SELF-CONSUMED

Geico Corp. was flirting with bankruptcy in 1976 when Warren Buffett's Berkshire Hathaway started buying a 20% stake at around $3 a share. "It looked pretty bleak at the time he invested," notes Geico Chairman William Snyder.

But now Geico's stock is trading at about $153, and management can't get enough of it. Since 1976 the Washington, D.C.-based insurer has bought back half of its own shares and it has been one of the best investments around.

Over the past decade, Geico has returned almost 34% a year on its equity, double the industry average. A key reason for Geico's success: It bypasses agents and sells auto insurance directly to consumers, who are carefully screened to make sure they have good driving records. While most property and casualty insurance companies regularly lose money on their underwriting, Geico failed to make an underwriting profit only once in the 1980s.

Insurers usually make up for their underwriting losses by turning a profit with their investment portfolio. Here, too, Geico is a standout. The company puts more of its assets in stocks than do most insurers, and its equity portfolio typically outperforms the Standard & Poor's 500 by two percentage points a year.

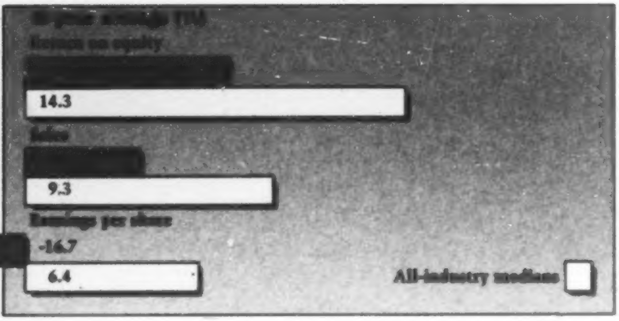
The one dark cloud on the horizon is Proposition 103. Geico has stopped writing new policies in California. But a complete pullout isn't an option, because existing California policies account for a tenth of Geico's business. Still, with direct sellers of auto insurance controlling just 10% of the U.S. market, Geico has plenty of room to expand outside California by taking market share from companies that sell their policies through salesmen, often at higher prices.

If Geico maintains its top-notch returns on equity and Snyder keeps buying back the company's stock, this much seems certain: More than 50% of Geico's stock will soon be owned by Berkshire Hathaway. Already Geico's stock repurchases have pushed Berkshire Hathaway's stake up to 45%. The prospect of being controlled by Buffett doesn't seem to faze William Snyder. Says he, "Warren Buffett is such an enlightened owner that we frankly wouldn't be distressed."—J.C.

[illegible]

Geico's William Snyder

MATERIALS



The only good news for steelmakers is that the bad news won't kill them.

By Rick Reiff

STEEL COMPANIES ENTER THE NEW DECADE flush from a three-year upswing but bracing for a bearish 1990. This sounds a lot like ten years ago, before the roof caved in. But a similar disaster is highly unlikely.

For one thing, any recession in 1990 will probably be mild compared with the deep 1981-82 downturn. And these companies are competitive with foreign steelmakers now, or at least much closer to it than they were a decade ago.

"Soft landing?" asks a hopeful Frank Luerssen, chairman of Inland Steel. "I think we'll have a flyover at low altitude."

There's no denying that demand for steel is currently dropping fast. Shipments to the auto industry fell about 9% in 1989, and deliveries to construction contractors were off 17%. Together those two industries account for a fourth of steel orders. Result: Steel prices have fallen to $445 a ton from $500 in early 1989, and plants are now running at only 85% of capacity, down from 94% a year ago.

With steel demand softening outside the U.S. as well, American producers will find it difficult to hold on to their modest gains in exports, which reached 4 million tons in 1989. And with overseas producers looking to export, and the dollar stronger, U.S. imports may rebound a bit.

The labor agreements that averted steel strikes in 1989 will increase hourly employment costs by 10% over two years. An amended Clean Air Act will add costs, too. When demand hits bottom—probably by late spring, figures PaineWebber analyst Karlis Kirsis—a ton of steel will sell for $15 less than the cost to produce it. Still, U.S. makers will pull through.

Materials	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Steel													
Worthington Inds	21.4	20.5	20.5	16.8	11.1	15.9	14.1	8.1	12.5	18.6	5.5	1,008	62
Nucor	18.0	18.4	18.7	13.6	21.8	10.8	12.5	20.4	8.6	22.0	49.7	1,228	99
Valmont Industries	12.7	13.6	23.4	17.3	30.6	18.1	25.2	24.8	9.3	NM	48.2	763	19
Central Steel & Wire	12.3	13.8	15.4	15.5	0.0	1.5	6.4	–7.2	NM	14.8	–27.0	599	23
AM Castle & Co	11.1	13.5	14.2	8.7	39.3	4.4	11.7	8.1	5.5	26.7	–31.6	515	9
Texas Industries	9.6	4.7	def	5.8	42.5	12.6	17.8	6.2	–11.9	–21.8	P-D	690	1
Carpenter Technology	7.8	5.5	9.7	7.5	23.3	1.6	3.8	7.4	–14.2	–13.9	4.4	626	30
Lukens	7.5	12.9	20.3	16.1	7.7	5.1	10.1	10.7	10.9	NM	20.4	645	37
Quanex	4.9	6.9	22.8	18.2	0.0	5.8	5.5	10.6	–10.7	NM	86.4	486	31
Earle M Jorgensen	4.8	2.3	10.4	9.5	8.6	NM	12.4	16.4	–11.9	NM	60.3	522	15
Copperweld	2.6	5.8	17.5	12.6	37.1	–7.4	–8.5	7.6	NM	NM	6.9	300	18
Inland Steel Inds	1.4	6.6	11.3	7.5	25.0	NM	4.7	7.1	NM	NM	–26.1	4,230	171
National-Standard	0.0	def	def	def	39.7	–1.6	3.3	2.0	–11.4	NM	P-D	303	–12
USX	def	1.6	16.4	9.8	43.3	2.7	–4.0	9.5	NM	NM	63.4	17,210	879
Bethlehem Steel	def	5.8	14.9	12.2	25.5	–3.9	NM	1.4	NM	NM	–26.5	5,438	261
Armco	def	def	20.5	15.6	28.9	–6.5	–8.1	–10.9	NM	NM	127.6	2,838	182
Wheeling-Pittsburgh	def	def	NE	28.5	78.7	–2.0	5.8	7.7	NM	NM	12.1	1,161	147
LTV	def[a]	def	NE	def	–69.1	6.4	7.3	–15.5	NM	NM	D-P	6,455	288
Acme Steel	NA	3.2	13.9	13.8	19.0	NA	7.3	9.9	NA	NM	25.6	436	18
Allegheny Ludlum	NA	NA	57.2	37.4	17.2	NA	9.8	9.7	NA	NA	35.3	1,259	129
Cyclops Industries	NA	NA	115.9	30.7	35.1	NA	12.9	18.5	NA	NA	D-P	1,178	41
Lone Star Tech	NA	def	def	def	41.0	–10.0[b]	11.2	8.4	NM	NM	D-D	676	–81
Weirton Steel	NA	0.6[c]	5.1	7.0	25.0	NA	6.7[c]	NA	NA	NM	NA	1,354	17
Medians	**4.8**	**5.5**	**14.9**	**12.6**	**25.0**	**1.6**	**7.3**	**8.1**	**–14.2**	**NM**	**16.3**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

GARBAGE IN, CEMENT OUT

In the 1990s Lafarge Corp. stands to make a great deal of money from several of America's most pressing problems, including waste disposal and road rebuilding. The company has already improved its operating margin from 12% to 17% since 1984. Earnings have risen for seven straight years, and the company says even a rough market in 1990 is not likely to break the string.

In Lafarge's case, success has a French accent. The Reston, Va.-based maker of portland cement and derivative concrete products (North American sales, $1.4 billion) is 57% owned by France's Lafarge Coppée cement giant (sales, $3.8 billion). The remaining 43% of its shares trade on the New York Stock Exchange, at a recent $18.

Because of its strong parent, Lafarge has been daring. While the revenues of struggling rival Lone Star Industries have shrunk by two-thirds since 1984, Lafarge has expanded its sales by 60%, largely through acquisitions helped along with a $60 million infusion from the French company. And the acquisitions are likely to continue.

What's more, Lafarge has cut its cost of making cement by $8.40 a ton, to $30.20, during the past five years. This has been done partly by taking a hard line with labor unions and partly through new plant and equipment. Lafarge is putting over $100 million a year into capital expenditures, more than anyone else in the industry.

With substantial pent-up demand for public works projects, Lafarge's strategies could pay off handsomely. Public works spending, which makes up a third of the U.S. cement industry's annual sales, grew by a scant 0.8% a year in the 1980s, less than half the 1970s rate. A bipartisan government panel recommends doubling these expenditures; an increase of that magnitude would boost cement sales by an estimated 20%.

As the U.S. grapples with the problem of disposing of industrial waste, Lafarge has been converting its kilns to burn such refuse along with traditional fuels like coal and natural gas. This can produce significant savings, given that 20% of the costs of making cement go for fuel. And much of the waste Lafarge can't burn could eventually be buried in its gaping stone quarries and gravel pits. Using liquid chemical waste collected and processed by its Systech subsidiary, Lafarge already has cut the fuel bill at its big Alpena, Mich. plant by a fifth.

Says Wood Gundy materials industries analyst Robert Maloney, "Some people facetiously suggest that they will be running these plants and cement will be a by-product."

Another plus: Lafarge dominates in the Great Lakes region, which is immune to the low-cost cement imports that have hurt producers on the coasts and in Texas.

Little wonder that Lafarge Chief Executive Officer Robert Murdoch is so upbeat: "I think we've got a great product for the 1990s."—**R.R.**

Robert Murdoch of Lafarge Corp.

Susan Steinkamp

Even such highly leveraged companies as Wheeling-Pittsburgh and LTV should hang in there, partly on the strength of cash reserves built up during the past few years. Another cushion: improved efficiency. LTV, for example, is now producing at nearly 40% above its break-even level.

In the year to come, watch for more joint ventures between U.S. and Japanese steelmakers. American producers, which have scrimped on research and development during the 1980s, need the Japanese technology, as well as entrée to auto plants in the American heartland that are owned by Honda, Nissan and other Japanese companies.

The slowing economy is also hurting other metalmakers and mining outfits. Aluminum companies will be helped by their restraint in adding new capacity during the recent upturn, and also by their strength in the recession-resistant beverage can and consumer products markets. Reynolds Aluminum now gets 10% of its revenue from aluminum foil, wax paper and plastic wraps.

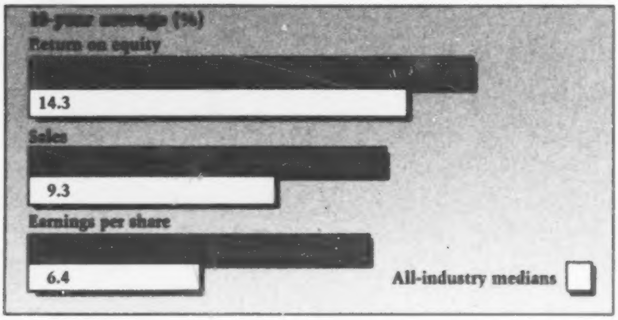
Demand for building materials is expected to remain sluggish in 1990. Given the falling profits and weak stock prices of this group, buyouts—like those of GAF and Formica Corp. last year—are likely to continue. ■

Materials	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Nonferrous metals													
Maxxam	14.4	3.7	58.3	6.6	85.7	NM	NM	500+	NM	NM	167.5	2,150	67
Engelhard	12.4	9.9	11.5	9.2	20.9	3.6	1.6	3.7	NM	NM	53.5	2,472	88
Alcan Aluminium	10.0	12.6	22.4	15.6	15.6	6.3	9.5	9.7	NM	NM	24.9	8,970	944
Alcoa	9.1	11.0	21.8	18.2	16.9	NA	6.9	18.0	NM	NM	28.4	10,863	999
Reynolds Metals	8.0	13.6	25.3	17.0	26.7	4.3	9.1	15.4	NM	NM	24.7	6,065	539
Handy & Harman	6.9	3.9	8.4	7.3	41.8	NM	1.8	2.6	–10.0	–9.5	39.2	666	10
Newmont Mining	6.8	6.7	NE	27.1	111.1	–5.9	–9.8	35.7	NM	NM	75.0	660	136
Phelps Dodge	6.5	15.2	35.0	25.6	19.3	NM	18.7	22.4	8.2	NM	40.0	2,620	548
Inco	5.7	19.0	93.4	44.2	43.7	NM	17.6	39.9	NM	NM	40.2	4,004	738
Asarco	4.4	10.3	18.4	15.2	17.1	NM	3.9	25.3	NM	NM	–13.9	2,279	245
AMAX	2.0	13.8	34.3	24.2	32.2	NM	10.3	3.4	NM	NM	130.3	3,988	590
Cyprus Minerals	NA	5.1[c]	26.4	20.8	7.3	11.0[b]	15.0	54.4	NA	NM	136.0	1,766	276
Magma Copper	NA	NA	18.8	7.2	46.4	NA	17.2	25.0	NA	NA	D-P	649	46
Tredegar Industries	NA	NA	0.0	4.6	0.0	NA	3.0[c]	4.1	NA	NA	NA	641	14
Medians	**6.9**	**10.7**	**22.1**	**16.3**	**23.8**	**NM**	**8.0**	**20.2**	**NM**	**NM**	**40.2**		
Cement & gypsum													
USG	22.2	26.2	NE	14.9	206.3	7.9	7.1	–9.3	10.8	13.8	–39.1	2,208	63
Florida Rock Inds	19.9	21.6	17.3	10.9	27.9	10.2	14.1	19.4	13.2	14.4	–8.7	435	24
Southdown	17.5	14.1	11.7	7.2	44.6	9.4	15.0	24.2	4.8	9.2	–4.8	627	41
CalMat	11.9[b]	14.4	13.3	9.3	13.4	12.6[b]	19.6	11.5	10.7[b]	50.7	0.5	651	59
Lone Star Industries	8.3	8.9	4.4	4.5	31.8	–5.0	–14.2	–27.4	–7.4	NM	3.6	348	34
Lafarge	7.0[a]	11.3	14.4	11.9	34.4	9.1[a]	8.6	11.0	NM	92.1[d]	5.3	1,435	100
Ideal Basic Inds	def	def	def	def	92.0	–7.2	–11.5	4.7	NM	NM	D-D	238	–33
Medians	**11.9**	**14.1**	**11.7**	**9.3**	**34.1**	**9.1**	**8.6**	**11.0**	**4.8**	**13.8**	**–4.8**		
Other materials													
Philips Industries	22.0	22.7	17.7	14.1	23.3	314.7	17.2	21.3	21.9	17.4	–1.3	973	45
Tyco Laboratories	21.4	21.6	24.4	16.0	44.6	21.9	21.0	22.6	8.1	17.5	12.6	2,088	98
Masco	19.4	19.5	15.4	12.0	37.2	13.4	20.2	25.6	12.7	17.3	–11.7	2,979	264
Vulcan Materials	18.9	20.7	21.3	17.5	7.1	4.4	3.0	5.2	8.9	21.9	–0.4	1,086	135
Armstrong World Inds	14.7	17.5	16.0	12.7	12.8	7.4	13.6	11.9	14.7	21.6	0.0	2,885	167
Harsco	11.3	10.8	def	1.0	23.4	3.3	6.4	2.9	NM	NM	P-D	1,337	–2
Hughes Supply	11.2	10.9	9.7	7.3	47.3	14.0	15.6	6.9	3.9	10.2	–7.6	524	9
Nortek	9.5	7.5	def	2.8	67.5	32.0	32.3	–8.8	4.2	NM	D-D	1,125	–16
Grow Group	7.6	4.2	14.8	10.3	52.8	8.4	13.6	5.9	NM	NM	D-P	413	8
Noland	7.2	7.3	3.7	4.6	31.5	6.7	9.6	0.2	7.2	2.5	–46.9	459	3
Owens-Corning	6.1	3.4	NE	38.3	145.9	5.0	NM	–0.3	NM	NM	2.1	2,833	184
Dallas Corp	4.1	2.0	1.9	3.4	26.1	7.1	2.6	–4.5	–16.7	NM	–68.0	326	2
HH Robertson	def	def	def	1.7	30.1	NM	–6.8	30.2	NM	NM	D-D	512	–1
Dravo	def	def	def	def	30.9	–11.9	–23.6	6.3	NM	NM	D-D	279	–6
Manville	NA	NA	18.6	8.1	45.1	NM	3.7	4.0	NA	NM	–31.3	2,145	118
Morgan Products Ltd	NA	22.6	0.5	2.2	35.3	NA	18.0	1.6	NA	NM	–96.3	437	†
Medians	**10.3**	**10.8**	**6.7**	**7.7**	**33.4**	**7.1**	**11.6**	**5.5**	**4.1**	**NM**	**–21.5**		
Industry medians	**7.7**	**8.9**	**14.6**	**11.4**	**30.4**	**4.3**	**7.9**	**8.1**	**–16.7**	**NM**	**4.9**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

RETAILING



Pssst! Wanna buy a watch? A suit? How about a whole department store?

By Steve Weiner

FOR RETAILERS, 1989 was the year of the fire sale—not only for merchandise, but also for the stores themselves. Debt-ridden Campeau Corp. put Bloomingdale's on the block. To avert a takeover attempt, Britain's B.A.T Industries offered Saks Fifth Avenue and Marshall Field's for sale. L.J. Hooker Corp., the U.S. arm of Australia's ailing Hooker Corp., tried to raise cash by selling its Bonwit Teller and Sakowitz stores; it liquidated its B. Altman chain after fruitless sale efforts.

That was just for starters. May Department Stores, grand champion of department store financial management, finally gave up on discount retailing and disposed of its Caldor and Venture discount arms, each with annual sales of more than $1 billion. After decades of development work, Dayton Hudson Corp. sold Lechmere, its appliance and electronics retail unit. Equitable of Iowa Cos., the Des Moines insurance company, tried and failed to sell its 36-store Younkers department store chain.

"The offers we got didn't represent fair value," sighs Fred Hubbell, Equitable's president and chief executive officer. Adds Bruce Allbright, retiring as president of Dayton Hudson, "I've never seen things so mixed up."

Allbright is not alone. "There's more uncertainty about the business than at any time I can think of," says Carl Steidt-

Retailing	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			Return on capital latest 12 mos %	Debt/ capital %	Sales			Earnings per share				
Company	10-year average %	5-year average %	latest 12 mos %			10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Department stores													
General Cinema	27.5	22.0	158.7	66.7	33.4	9.3	15.3	-0.9	19.5	-4.0	500+	2,011	966
Dillard Dept Stores	19.2	18.7	16.0	11.1	42.3	24.2	23.2	13.9	28.7	18.8	26.8	2,715	121
Mercantile Stores	16.7	16.7	14.4	13.1	15.9	9.6	7.2	2.7	14.7	12.5	7.9	2,249	141
May Dept Stores	16.2	17.4	16.8	10.4	40.1	11.0	7.3	-1.6	13.3	12.5	5.2	10,415	491
Strawbridge	14.4	15.2	12.5	8.8	42.3	10.8	10.1	6.1	14.7	8.7	4.8	922	26
JC Penney	14.0	15.2	19.3	12.0	29.1	3.8	4.6	2.1	10.5	14.1	42.2	15,678	870
Sears, Roebuck	11.1	10.4	7.6	6.9	42.7	8.4	6.7	8.4	4.3	-5.3	-18.6	53,181	1,024
Equitable of Iowa	9.9	10.5	9.4	8.4	16.9	NA	8.5c	16.2	4.7	12.7	37.6	564	25
Alexander's	2.1	1.0	23.1	15.4	31.0	1.5	0.5	-11.8	NM	NM	D-P	463	21
Carter Hawley Hale	NA	NA	NE	8.7	112.0	NA	-1.0	6.3	NA	NM	71.4	2,809	8
Neiman Marcus Group	NA	NA	1.1	8.3	42.5	NA	15.8	22.1	NA	NA	D-P	1,535	27
Medians	**14.4**	**15.2**	**14.4**	**10.4**	**40.1**	**9.5**	**7.3**	**6.1**	**13.0**	**10.6**	**37.6**		
Apparel													
Limited	39.9	37.0	33.0	20.9	31.5	38.4	32.2	18.7	42.8	30.4	67.3	4,421	314
Charming Shoppes	28.8	27.2	19.2	16.0	10.6	25.3	26.2	14.4	20.6	18.9	41.9	770	44
Gap	26.7	30.2	34.3	32.8	5.2	16.1	22.6	23.3	26.5	40.2	53.4	1,465	96
Burlington Coat	24.2	15.7	12.2	11.5	7.2	37.6	20.1	18.2	28.1	9.6	2.7	679	22
Melville	23.4	22.8	21.0	21.3	2.0	14.5	11.2	12.7	13.0	13.9	15.0	7,326	365
Nordstrom	19.8	20.9	20.4	14.3	35.2	23.9	24.4	19.2	20.3	24.6	20.3	2,579	131
Petrie Stores	15.5	12.1	5.0	4.8	15.4	13.6	12.6	5.6	NM	-8.1	-22.1	1,255	31
Hartmarx	11.9	11.0	7.8	8.1	39.3	7.2	2.8	8.8	7.2	NM	-24.2	1,259	29
US Shoe	11.6	6.7	9.8	7.9	25.2	11.7	8.8	9.6	-5.4	-27.1	500+	2,492	51
Brown Group	11.5	8.8	3.0	3.7	28.3	3.6	2.4	5.8	-5.6	-23.5	-76.6	1,782	10
Edison Bros Stores	11.2b	9.1	23.0	15.9	30.7	4.2b	4.2	9.0	NM	NM	D-P	991	49

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

GREAT NEWS: A RECESSION

Wal-Mart's David Glass

Eli Reichman

If ever there was a recession-proof retailer, Wal-Mart Stores Inc. is it. Good times or bad, it grows rapidly.

Built by folksy billionaire Sam Walton, Wal-Mart has seen its sales mushroom at a compound annual rate of better than 36% in each of the past ten years. Last year sales approached $26 billion. Wal-Mart often gains market share during recessions, its executives claim, because it wins customers who defect from more expensive department and specialty stores.

"There's far more opportunity ahead of us than behind us," says David Glass, Wal-Mart's president and chief executive officer. "This company is geared to grow."

What's the Wal-Mart edge? Nothing more than hard work and clear thinking. Top executives work six and seven days a week, spending more than half their time visiting stores. Important decisions, such as what items to display in desirable spots, are often delegated to employees closest to the customer, the clerks on the sales floor. The network of 1,355 Wal-Mart stores (plus 120 Sam's Wholesale Club warehouse outlets and 3 giant HyperMart USA food and discount stores) is held together by the industry's best computer and communications systems.

Thus, the company's selling, general and administrative costs, at just 16% of sales, are 10 percentage points or more below those of most competitors. That allows it to offer prices that are often far lower than competing discounters'. And Wal-Mart works harder to keep its old stores fresher than any other retailer, doing major remodeling at 70 stores a year. That's why sales gains at Wal-Mart stores open at least a year, recently around 10%, are usually nearly double the industry same-store average.

Perhaps Wal-Mart's biggest opportunity in the 1990s: It has yet to enter 23 states. What's more, Glass figures the company could double the number of stores it has in its existing territories. Always based in small towns, Wal-Mart has begun to build rings of stores around major metropolitan areas, such as Dallas and Denver.

Given its huge base, the company's rate of growth may slow. And problems could crop up in its bid to expand into the grocery business. But generally speaking, customers love what they find at Wal-Mart. Model management, a model company.—S.W.

mann, chief economist for Management Horizons, the retail consulting arm of Price Waterhouse.

Retailing profits nationwide, which have trended downward since 1986, probably dropped by more than 4% last year, Steidtmann figures. Consumer spending, meanwhile, began to flatten in the second half, as America's frenetic shoppers took a slight breather. Especially hard hit were durable goods—appliance sales, for instance, were down more than 4% during the first nine months of 1989—and retailers heavily dependent on them suffered. Sears stores, for example, incurred a $6.9 million third-quarter loss, exclusive of credit card income.

In this gloomy environment, most retail enterprises have come under heavy pricing pressure. During the year, Sears, Roebuck, Montgomery Ward and, to a lesser extent, K mart and Ames switched to everyday low pricing schemes, drop-

Retailing	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	10-year average %	5-year average %	latest 12 mos %	10-year average %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil
Genesco	8.8	16.8	24.6	12.2	28.7	–7.0	–7.2	8.6	8.9	NM	53.1	471	19
TJX Cos	NA	NA	11.8	9.8	42.6	NA	21.7	18.2	NA	33.2[c]	22.6	2,056	66
Medians	**17.7**	**16.2**	**19.2**	**12.2**	**28.3**	**14.1**	**12.6**	**12.7**	**10.9**	**9.6**	**22.6**		
Drug & discount													
Wal-Mart Stores	35.5	36.0	32.3	24.1	25.7	37.4	34.7	26.6	38.3	33.3	27.4	24,335	973
Pic'N'Save	35.2	32.8	20.9	19.8	4.2	19.7	13.4	18.3	23.0	10.1	–7.6	458	40
Consolidated Stores	33.7[b]	32.4	7.8	7.5	37.5	NM	87.6	2.3	44.0[b]	39.6	–33.3	616	12
Family Dollar Stores	24.6	22.3	12.9	12.1	0.0	19.1	19.8	13.1	18.2	9.1	–20.4	757	22
Rite Aid	22.4	21.6	15.3	13.0	41.8	14.3	18.7	12.5	15.9	11.0	–2.1	3,037	97
Walgreen	21.3	20.8	21.6	16.3	15.4	15.4	15.7	10.2	16.5	11.2	19.0	5,380	154
Longs Drug Stores	16.9	16.6	18.8	18.1	0.0	11.0	9.5	9.8	8.3	9.0	10.2	2,056	59
Ames Dept Stores	16.3	12.0	0.8	2.9	54.7	30.3	38.1	109.8	15.1	4.0	–89.2	4,646	13
Dayton Hudson	15.7	14.7	17.8	10.1	52.6	15.3	11.2	12.5	5.0	4.1	59.3	13,259	342
K mart	14.9	16.1	14.6	11.3	35.7	8.9	7.6	5.8	8.7	12.4	1.4	28,447	736
Fay's	14.2	12.2	19.6	15.3	38.5	13.3	10.7	8.5	11.0	NM	33.1	562	12
Dollar General	13.8	9.7	10.0	9.2	35.6	16.3	10.3	2.0	NM	–18.5	52.5	613	11
Rose's Stores	13.7	11.7	4.0	4.9	29.5	12.6	12.2	5.4	11.9	–6.5	–25.5	1,466	8
Jamesway	12.6	10.5	3.8	4.1	45.6	14.8	13.4	10.9	6.6	–6.8	–50.0	854	5
FW Woolworth	12.2	16.8	16.1	14.2	14.1	NM	8.0	10.8	6.1	19.3	8.7	8,571	298
Perry Drug Stores	def	def	0.9	5.3	69.1	25.2	20.2	–1.8	NM	NM	D-P	675	†
Drug Emporium	NA	22.8[c]	19.0	18.7	15.9	NA	62.5	20.8	NA	NM	16.9	447	9
Hills Dept Stores	NA	NA	def	6.8	98.3	NA	3.9	20.2	NA	NA	P-D	1,929	–1
Medco Containment	NA	7.2[c]	5.9	6.2	25.1	NA	81.0	47.1	NA	61.0[d]	–34.4	800	16
Fred Meyer	NA	17.3	11.8	10.3	35.3	NA	10.4	10.6	NA	14.1	–4.2	2,143	34
Ross Stores	NA	8.0	27.0	22.0	45.2	NA	49.1	16.4	NA	NM	67.1	712	31
Wholesale Club	NA	def	13.9	12.1	25.2	NA	75.4	45.4	NA	NM	D-P	481	5
Medians	**16.0**	**16.1**	**14.2**	**11.7**	**35.4**	**15.0**	**14.6**	**11.7**	**11.5**	**9.0**	**5.1**		
Specialty													
Price Co	40.5[a]	30.6	24.3	18.1	26.4	54.5[a]	43.6	20.9	48.9[a]	38.9	22.3	4,901	117
Highland Superstores	37.3[b]	27.2	def	def	38.3	32.2[b]	28.6	11.1	19.0[b]	–10.8	P-D	916	–6
Jostens	32.6	41.0	26.5	21.2	45.1	10.4	8.2	32.4	14.1	22.4	–40.9	723	55
Best Buy Co	32.1	31.0	1.0	3.3	36.8	NM	77.9	1.3	NM	23.1	–68.2	503	0
Circuit City Stores	30.6	32.3	25.8	20.5	23.5	35.0	37.3	22.0	38.6	36.9	20.5	1,877	71
Blair	27.6	30.6	29.7	29.9	0.0	7.1	8.6	3.8	15.8	13.5	–8.6	427	29
Tandy	26.8	20.7	18.8	17.2	6.9	13.8	8.6	8.7	15.5	4.1	3.4	4,230	321
Toys "R" Us	22.8	21.5	19.0	16.7	10.3	27.0	24.2	18.9	27.7	22.9	23.0	4,349	276
Kay Jewelers	21.6[b]	24.5	11.7	10.1	62.7	16.6[b]	18.8	8.4	NM	21.5	–44.9	433	7
Hechinger	17.9[a]	16.7	9.7	7.5	31.7	23.7[a]	25.4	23.2	21.6[a]	17.5	–21.0	1,165	35
Pep Boys	17.7	15.1	13.5	9.4	42.7	15.2	16.8	19.8	19.3	15.9	9.7	719	38
Sherwin-Williams	17.5	19.4	17.9	14.2	15.1	5.4	–2.4	9.7	21.1	15.4	8.2	2,094	108
General Host	15.7	11.7	def	def	55.3	–2.4	–7.2	12.5	NM	NM	D-D	481	–20
Lowe's Cos	14.8	13.2	13.0	11.0	20.9	14.4	12.2	7.0	12.3	NM	35.5	2,621	77
Service Merchandise	11.8	9.4	20.4	13.2	110.8	19.3	16.2	8.8	NM	NM	45.6	3,201	78
Intermark	11.0	5.3	def	3.8	56.6	24.4	26.3	9.3	NM	NM	P-D	744	–6
Dart Group	10.8	6.1	7.5	9.4	29.9	NM	34.4	87.8	31.4	22.5	D-P	842	20
Horn & Hardart	def[a]	def	def	3.7	72.9	20.4	7.3	10.3	NM	NM	D-D	525	–4
Lionel	def	6.3[d]	1.6	3.6	45.8	4.5	4.9	13.1	–6.5	–41.3[c]	D-P	423	1
Inspiration Resource	def[a]	def	6.8	7.2	24.2	9.4	11.8	–2.1	NM	NM	–16.4	1,361	30
Grossman's	def	def	16.5	11.6	58.4	–2.4	–5.3	3.8	NM	NM	33.3	1,155	17
Businessland	NA	7.9	17.0	13.9	35.8	NA	70.9	28.0	NA	NM	12.9	1,233	30
Child World	NA	6.3[c]	4.5	4.8	10.5	21.5[b]	18.3	7.8	NA	9.6[c]	2.5	831	9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. †Less than $500,000. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ping many price promotions in favor of generally lower prices most of the time. Also, deep pre-Christmas discounting was the rule at almost all department stores.

Price-cutting even spread at fast-food chains such as McDonald's, Burger King and Wendy's last year. All three found themselves battling over a base of customers that is growing sluggishly, at best.

One bright spot was relative stability in the supermarket business after several years of takeover and restructuring turmoil.

For the retail industry as a whole, the 1990 outlook is for moderate to slow sales growth and flat to lower profits, with the second half stronger than the first.

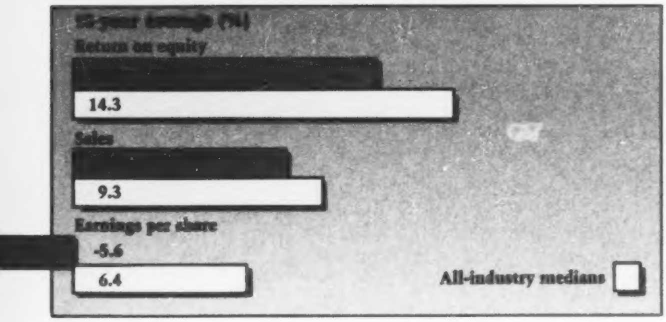
"Retailing has already had a recession, a very mild recession, and when the economy begins to accelerate the consumer sector always leads the way," says Steidtmann. ■

Retailing	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Costco Wholesale	NA	4.3[c]	22.5	14.4	59.3	NA	107.6[c]	47.8	NA	NM	110.9	3,000	27
Home Depot	NA	23.5	24.2	22.3	38.5	NA	50.4	39.0	NM	44.3	34.2	2,570	101
Home Shopping	NA	NA	def	def	61.1	NA	NA	6.1	NA	NA	P-D	774	–22
InterTAN	NA	NA	21.9	18.5	14.2	NA	9.4	11.6	NA	NA	71.8	650	39
Lands' End	NA	55.5[c]	30.9	29.4	6.3	NA	28.2	32.5	NA	42.8[d]	10.9	501	29
PACE Membership	NA	def	9.0	7.0	16.8	NA	99.5	31.3	NA	NM	72.1	1,451	10
Spiegel	NA	24.1	18.9	9.7	61.0	NA	16.9	31.7	NA	35.1	52.9	1,584	65
Waban	NA	NA	0.0	29.2	10.2	NA	101.2[c]	31.0	NA	NA	NA	1,876	23
Medians	17.7	16.8	13.5	12.0	31.7	14.8	18.5	12.5	13.2	11.5	10.3		
Supermarkets													
Food Lion	30.8	31.6	29.9	21.8	17.0	28.4	26.6	26.3	26.5	31.6	21.2	4,449	127
Bruno's	24.6[b]	21.3	18.7	13.1	27.9	18.8	23.8	11.1	23.8	17.3	17.0	2,198	50
Giant Food	23.2	24.2	24.8	17.2	31.7	10.1	8.8	9.6	19.7	17.3	23.5	3,110	106
Arden Group	21.4	28.7	35.9	18.6	41.6	–3.2	–5.6	–2.1	28.3	46.1	20.7	345	11
Albertson's	21.3	21.4	23.5	20.1	16.6	10.8	9.0	15.1	14.7	17.3	23.8	7,372	188
American Stores	19.6	14.7	7.3	6.1	72.6	24.0	14.4	25.7	13.7	–7.6	–29.1	21,251	85
Hannaford Bros	19.5	19.5	21.1	13.9	31.7	12.1	14.6	24.7	17.8	19.9	27.6	1,469	36
Weis Markets	19.1	18.4	16.8	16.5	0.0	8.4	5.9	7.8	12.8	11.1	6.8	1,243	86
Circle K	18.9	19.7	1.3	5.0	70.5	23.1	28.9	33.6	12.2	17.0	–90.7	3,658	11
Winn-Dixie Stores	18.1	16.8	18.5	17.6	8.3	7.2	5.5	2.8	4.7	0.6	16.7	9,292	139
Schultz Sav-O Stores	16.8	19.0	18.9	11.6	39.3	5.9	3.2	9.6	14.5	30.0	25.6	459	4
Seaway Food Town	14.7	17.6	25.9	9.1	55.0	3.9	–1.0	14.3	NM	30.9	–52.0	512	4
Delchamps	14.5[b]	12.4	13.9	12.4	26.6	14.9[a]	10.0	4.6	5.9[a]	NM	25.4	912	12
Village Super Market	14.1	16.4	10.7	8.8	44.6	10.9	15.1	5.9	17.7	20.2	–17.4	658	5
Ruddick	13.6	13.0	14.0	10.7	35.4	11.3	13.5	17.8	7.6	5.5	9.5	1,301	20
Marsh Supermarkets	13.5	14.2	15.5	9.2	47.8	8.0	8.0	2.4	6.5	35.7	33.1	898	10
Natl Convenience	11.7	3.1	def	4.8	77.2	13.3	5.6	12.2	NM	NM	P-D	1,083	–3
Kroger	11.5	9.3	NE	def	230.1	9.3	4.2	0.1	–10.3	–23.5	P-D	18,827	–141
Foodarama Supermkts	8.0	11.2	3.6	6.4	62.4	2.3	2.5	10.8	NM	NM	–73.8	542	1
Great A&P Tea	7.1	12.9	14.5	11.3	33.6	3.3	15.0	10.3	NM	30.1	21.4	10,766	141
Casey's General Store	NA	21.2	9.1	7.0	40.8	NA	11.4	24.9	NA	31.3	–42.4	451	6
Dairy Mart	NA	11.2	3.9	5.9	66.4	55.0[b]	61.5	19.9	29.6[b]	15.0	–72.8	614	1
Ingles Markets	NA	15.2	12.7	9.3	41.7	NA	13.0	14.6	NA	18.1	12.7	858	14
Penn Traffic	NA	NA	def	4.0	93.0	NA	14.1	216.0	NA	NA	P-D	2,063	–26
Smith's Food & Drug	NA	18.9[d]	19.2	9.2	45.2	NA	21.9[c]	NA	NA	21.2[c]	NA	1,649	24
Vons Cos	NA	NA	def	2.3	82.3	NA	10.0	45.5	NA	NA	D-D	5,153	–43
Medians	17.4	17.2	14.2	9.3	41.7	10.8	10.7	12.2	12.8	17.3	9.5		
Restaurant chains													
McDonald's	22.5	22.5	20.8	12.1	43.2	12.8	12.9	11.7	15.4	14.7	14.5	5,967	707
Shoney's	20.7	17.9	NE	22.7	208.8	18.2	14.2	13.2	18.5	12.8	–69.9	840	17
Bob Evans Farms	19.9	17.8	15.8	15.3	1.1	15.3	16.4	5.4	14.2	13.1	–0.2	427	31
Collins Foods Intl	16.9	15.8	13.5	12.4	6.2	13.1	11.4	–2.5	13.6	NM	12.3	543	29
Morrison	15.1	14.2	18.7	15.0	7.9	11.4	10.0	19.2	5.8	6.2	14.5	849	32
Carl Karcher	13.6	10.8	28.8	15.9	62.0	13.7	7.2	20.7	10.4	10.9	49.6	488	19
Wendy's Intl	12.8	6.6	6.0	5.9	27.2	19.3	6.6	–0.2	4.1	NM	–3.7	1,052	25
TGI Friday's	NA	8.6	11.2	10.0	6.3	22.8	11.6	–3.0	NA	NM	38.2	387	14
Medians	16.9	15.0	14.6	13.7	17.6	14.5	11.5	8.6	13.6	8.5	13.4		
Industry medians	16.7	16.5	14.4	11.3	35.2	13.3	13.0	11.3	12.8	11.1	12.7		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

TRANSPORT



As railroads continued to restructure, mergers swept the air freight industry.

By Ronit Addis

RAIL COMPANIES HAVE WORRIED FOR A DECADE that Congress might reregulate the railways by revoking the 1980 Staggers Act, a piece of legislation that enabled them to compete on a price basis with trucks and airlines. The threat seemed to have passed last year as no new reregulation bills were introduced, a first since 1983.

But that didn't stop Washington from harassing the rail industry in other ways. For example, the Interstate Commerce Commission, by taking productivity gains into account, made it tougher for the rail outfits to raise rates. The Association of American Railroads objects to this strategy, in part because the ICC's productivity data go back only as far as 1982, when productivity started an upward swing.

The focus on Capitol Hill, meanwhile, was the Federal Employers' Liability Act, the insurance system under which railroads compensate workers injured on the job. The railroads contend that the act costs them an estimated $300

Transport	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity					**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Railroads													
Norfolk Southern	10.9	9.8	12.6	7.8	7.0	5.1	6.7	5.2	NM	NM	5.2	4,589	637
Union Pacific	9.4	9.2	14.2	8.5	40.5	6.4	–7.1	0.8	4.0	15.6	7.6	6,337	615
CSX	7.0	5.5	12.9	7.7	33.8	7.5	3.7	1.1	NM	NM	321.5	7,759	449
Santa Fe Pacific	5.4[a]	2.9	34.9	8.3	60.5	–3.2[a]	–10.7	–19.1	NM	NM	D-P	3,031	170
Kansas City Southern	4.3	def	def	def	35.9	8.0	3.6	–1.6	NM	NM	P-D	507	–32
Soo Line	1.8	def	0.5	3.5	46.3	10.1	16.2	–6.7	–8.9	NM	–92.1	545	1
Burlington Northern	NA	20.0[c]	20.7	7.4	53.3	NA	NM	61.3	NA	–17.3[c]	254.2	4,611	192
Consolidated Rail	NA	NA	7.6	7.0	16.1	–1.9	1.4	1.9	NM	–6.7	0.2	3,492	307
Medians	**6.2**	**5.5**	**12.7**	**7.5**	**38.2**	**6.4**	**2.5**	**1.0**	**NM**	**NM**	**6.4**		
Trucking & shipping													
Alexander & Baldwin	19.5	22.6	38.0	24.2	29.1	7.3	9.4	20.6	19.2	22.9	72.6	811	213
Ryder System	16.0	14.3	4.9	5.3	55.2	15.1	18.2	3.4	8.3	3.8	–42.8	5,101	79
Yellow Freight Sys	15.8	16.7	14.2	10.0	19.6	10.9	11.9	11.9	12.4	4.7	4.2	2,184	65
Consol Freightways	15.3	14.3	10.0	10.0	37.2	6.2	13.5	34.6	5.1	9.8	–17.1	3,486	79
Carolina Freight	15.2	11.3	7.3	5.7	35.7	14.4	12.3	4.9	7.9	–8.6	63.3	666	10
Roadway Services	14.7	11.6	14.5	13.1	0.0	7.8	11.0	23.7	NM	–8.5	47.9	2,544	97
Preston	6.3	4.9	3.7	4.7	47.1	15.4	17.5	6.7	–2.3	NM	–27.0	615	4
American President	NA	11.0	4.0	4.8	39.1	17.3	24.0	12.0	NA	NM	–65.1	2,261	35
Avondale Industries	NA	def[d]	2.1	2.3	11.4	NA	9.2	26.3	NA	NA	411.1	684	6
Medians	**15.3**	**11.6**	**7.3**	**5.7**	**35.7**	**12.6**	**12.3**	**12.0**	**7.9**	**–2.3**	**4.2**		
Air freight													
Air Express Intl	20.5	27.7	20.7	14.7	49.1	10.7	13.4	2.7	11.4	NM	–13.6	512	7
Federal Express	16.3	10.0	10.6	6.8	47.7	36.9	30.7	41.6	20.6	11.1	–18.4	5,736	149
Airborne Freight	11.3	9.0	10.6	7.0	52.6	13.7	17.2	23.2	NM	–10.8	94.1	898	14
Pittston	def	def	6.6	6.2	16.5	–3.1	4.1	5.3	NM	NM	D-P	1,640	29
Medians	**13.8**	**9.5**	**10.6**	**6.9**	**48.4**	**12.2**	**15.3**	**14.3**	**NM**	**NM**	**40.2**		
Industry medians	**11.3**	**9.9**	**10.6**	**7.0**	**37.2**	**8.0**	**11.0**	**5.3**	**–5.6**	**–14.1**	**5.2**		
All-industry medians	**14.3**	**14.3**	**14.4**	**11.1**	**32.0**	**9.3**	**10.9**	**8.5**	**6.4**	**7.6**	**8.0**		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

million a year more than the system used by other industries. Congress took no action, but the railroads are hoping for progress in the near future.

After a decade of tumult, there were no major mergers in 1989. Union Pacific and Burlington Northern were busy restructuring; Union Pacific bought some of its stock on the open market and plans to sell some divisions, while Burlington Northern began paying down debt. Santa Fe Pacific held its independence against raiders although Itel Corp. still holds a 17% stake and Olympia & York has a 19% interest.

Most trucking companies held their own last year, despite a rise in fuel costs and a continuing driver shortage. Troubled Ryder System remained in second place behind Alexander & Baldwin, although Ryder's earnings plunged 43% in the 12 months ended Sept. 30. Ryder spent much of the past year refocusing on its basic business, truck leasing and rentals, after a series of fiascos in other service businesses, such as freight hauling and supplying aircraft parts. Consolidated Freightways, which purchased Emery Air Freight in April for $230 million—along with $248 million in debt—saw earnings slip 17% as it entered this highly competitive industry.

The air freight industry saw other consolidation as well. Federal Express purchased Tiger International in February for $880 million, plus the assumption of $630 million in debt. This move should boost second-place Federal Express in the expanding international express market, against major competitors DHL International and UPS. A continuing problem for all four U.S. air cargo carriers: stiff competition from foreign cargo lines like Japan's All Nippon Airways and West Germany's government-owned Lufthansa. ■

SOUTHERN COMFORT

Minding the store paid off handsomely for Norfolk Southern. Many of the country's great railroads spent the past few decades turning themselves into conglomerates, but Norfolk Southern did not.

Today the rail line is reaping the benefits. It earned profits of $637 million in the 12 months ended Sept. 30, and its ten-year average return on equity is 10.9%, well above the 6.2% rail industry average. Norfolk Southern has so much cash that it has initiated a buyback of 45 million shares, on top of the 20 million shares it repurchased over the past two years.

Being conservative does not rule out being creative. Far from it. Norfolk Southern has been at the forefront of several new railway technologies, primarily in intermodal transportation. In late 1985 the rail company introduced its RoadRailer, a 48-foot trailer outfitted with wheels for use both on railroad tracks and on highways. Today the company has 1,800 RoadRailers in operation.

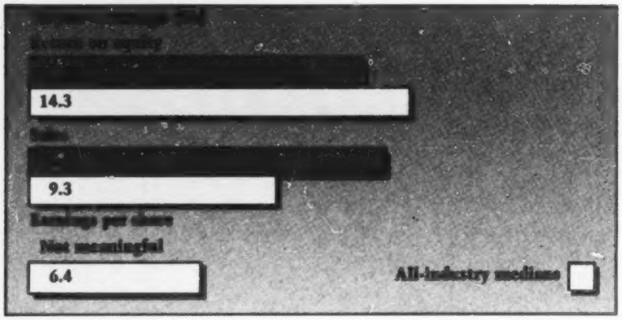
Ken Hawkins

Norfolk Southern's Arnold McKinnon

The railroad also runs extensive piggyback service, transferring containers between railroad flatcars and trucks, and doublestack service, where it piles containers on top of one another during transport. Its intermodal business now provides 7% of revenues, up slightly from 1988.

But intermodal transport, which has plenty of room for expansion, isn't enough. The new frontier in transportation, according to Chief Executive Arnold McKinnon, is the internationalization of the business, and he is making sure Norfolk Southern is poised to take advantage of it through its North American Van Lines, which has extensive operations overseas. Also, Norfolk Southern is offering its services as a transport broker around the world. Says McKinnon, "We're in effect offering to be the complete transportation provider, to put the package together from a plant in this country to a consumer in Western Europe."—R.A.

TRAVEL



With domestic traffic sluggish, U.S. airlines look across the Atlantic.

By Kerry Hannon

EVERYONE FROM PETER UEBERROTH to Donald Trump wanted a piece of the airline industry last year. Yet, as the year drew to a close, it looked like only two carriers would change hands: Northwest and Hawaiian Airlines. In August Ueberroth and his partners agreed to buy a controlling interest in HAL, Hawaiian Airlines' parent, for $22 a share. In July NWA, the parent company of Northwest Airlines, was taken private for $3.65 billion, or $121 a share, by investor Alfred Checchi and KLM Royal Dutch Airlines.

The takeover deals that didn't happen included the $6.5 billion UAL management/labor buyout backed by British Airways, which collapsed in October when financing fell through. Shortly thereafter Donald Trump withdrew his $120-a-share offer for AMR, American Airlines' parent.

Hoping to stay out of the fray, both USAir and Delta Air Lines are putting an estimated 20% of their voting stock into friendly hands.

The Eastern strike sparked huge traffic gains for East Coast carriers American, Delta and USAir. Nevertheless, as a whole, the airlines did not repeat the record earnings they had in 1988. Reason: Jet fuel prices have jumped to 61 cents a gallon, up from 51 cents a year ago. Every penny increase in fuel prices costs the airline industry $150 million in annual operating profits. Thus, after a summer of deep discounting, some higher fares have been put through, although yield, measured as average fares in cents per mile, has softened.

In 1990 look for big changes by air carriers in the international sphere. Federal regulators may tighten the rules on foreign ownership of U.S. airlines, and may open additional

Travel	**Profitability**					**Growth**						**Sales**	**Net income**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**			**Earnings per share**				
Company	**10-year average %**	**5-year average %**	**latest 12 mos %**			**10-year average %**	**5-year average %**	**latest 12 mos %**	**10-year average %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**
Airlines													
UAL	17.5	28.7	32.0	12.9	48.5	9.3	8.6	9.1	NM	NM	–52.3	9,656	338
Alaska Air Group	17.3	12.9	15.0	10.4	37.6	25.8	23.6	12.2	5.8	NM	45.0	890	47
Southwest Airlines	14.5	9.7	14.3	8.9	33.4	25.5	13.7	18.9	4.2	NM	61.5	985	80
USAir Group	14.1	11.3	2.7	3.3	38.0	20.3	28.5	16.5	4.0	NM	–65.5	6,234	61
Delta Air Lines	12.6	15.4	20.1	14.0	18.1	10.7	11.6	17.0	NM	NM	38.8	8,381	494
AMR	11.7	14.0	15.9	9.6	37.6	11.0	12.0	23.1	NM	NM	42.7	10,262	533
Midway Airlines	def[b]	3.2	6.2	6.0	47.9	36.0[b]	32.3	16.7	NM	NM	–22.6	471	5
Texas Air	def	def[d]	NE	def	102.2	48.0	57.6	–19.2	NM	NM	D-D	6,978	–747
Pan Am	def	def	NE	def	218.9	2.6	–1.5	–2.9	NM	NM	D-D	3,503	–210
America West Airlines	NA	def	21.7	8.3	84.3	NA	57.8[c]	27.3	NA	NM	D-P	927	15
Medians	12.6	10.5	14.6	8.6	42.9	20.3	18.7	16.6	NM	NM	8.1		
Hotels & gaming													
Hilton Hotels	18.4	17.4	14.4	9.3	34.8	6.2	7.3	7.1	5.0	6.0	–22.5	955	118
Caesars World	15.3	18.6	29.7	14.6	58.3	13.2	7.9	6.8	14.8	37.1[c]	–14.7	897	62
Holiday	12.3	11.1	NE	17.5	129.1	3.2	NM	–2.0	9.9	7.1	–29.4	1,577	85
Bally Manufacturing	6.4	5.3	4.7	6.2	70.4	18.2	10.1	6.7	NM	12.6[d]	–17.0	1,969	31
Ramada	0.4	1.5	def	def	51.4	7.5	NM	2.9	NM	NM	P-D	550	–31
Carnival Cruise Lines	NA	50.5	28.4	29.7	45.8	NA	23.9	76.8	NA	35.7	14.4	1,052	214
Circus Circus	NA	26.6	50.0	18.8	67.0	22.4	17.8	2.3	24.5	25.8	13.7	514	72
Medians	12.3	17.4	14.4	14.6	58.3	10.4	7.9	6.7	7.5	12.6	–17.0		
Industry medians	12.5	11.3	14.4	9.3	48.5	13.2	12.0	9.1	NM	NM	–17.0		
All-industry medians	14.3	14.3	14.4	11.1	32.0	9.3	10.9	8.5	6.4	7.6	8.0		

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Nine-year average. b: Eight-year average. c: Four-year average. d: Three-year average. For further explanation, see page 120.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

international routes—which U.S. carriers are eager to grab. Federal regulators may also act to limit the amount of leverage an airline can assume in a takeover.

The hotel industry continued to suffer from overcapacity, as did the casino trade. The debut of large new gaming facilities in Las Vegas and Atlantic City will worsen the glut of hotel rooms as well as casinos. In Las Vegas, the Golden Nugget recently opened its 3,000-room Mirage (estimated cost $700 million). By the middle of 1990 Circus Circus plans to open the 4,000-room Excalibur, considered to be the largest new hotel in the world. In Atlantic City, Donald Trump hopes to unveil his 17-acre Taj Mahal complex by the spring of 1990.

Profit margins will tighten as casino/hotel managers try to win customers by offering more complimentary rooms, meals and coins for the one-armed bandits. In Las Vegas alone, it is estimated that the number of hotel rooms will jump by a third, to 84,000, by 1993. But demand for the rooms is unlikely to catch up with supply until the middle of the decade, if then. ■

LOOK OUT, EUROPE, HERE HE COMES

In the past decade Robert Crandall has transformed American Airlines. Crandall, 54, is a risk taker. He introduced the first frequent flier program. Crandall has spent heavily to build American's Sabre reservation system into the largest computer reservation system in the world, controlling some 38% of the market. Today American's system is valued at about $2.5 billion.

Crandall's numbers speak for themselves. Revenues at AMR, American's parent, have nearly tripled, from $3.8 billion in 1980 to an estimated $10.6 billion in 1989. Net income has grown from a loss of $125 million in 1980 to $535 million. And operating margins have jumped from 3.9% to 14% over the same period.

Once again Crandall is running ahead of the pack. With new airplanes in short supply and some taking four years to deliver, American has assured itself of a steady inflow of fuel-efficient aircraft, with 500 planes on order or near delivery—more than any other carrier.

Says Crandall, with obvious pride, "We've done a good job of providing for our future fleet needs."

Now that Crandall has the capacity to expand, expect him to push further into the international market. Already, 16% of American's revenues come from international flights, up from 4% in 1984. By the mid-1990s, Crandall estimates, 30% of the airline's revenues will be generated by international flights.

If U.S. talks with European nations succeed, American Airlines could soon be offering service to additional European cities, including Amsterdam, Milan and Rome.—K.H.

Robert Crandall of American Airlines

Charles Thatcher

WHO'S WHERE IN GROWTH

Sales at America's largest corporations grew at a 9.3% average annual rate over the past decade, but earnings lagged, rising at a 6.4% pace.

By Steven Ramos

When fourth-quarter results are finally in, 1989 profits for companies in the S&P 500 stock average will likely show little earnings improvement over 1988. Our authority for this is the Institutional Brokers Estimate System, an investment service of Lynch, Jones & Ryan.

Were it not for big writeoffs at banks, the 1989 earnings picture would have been brighter: Excluding the banks, S&P companies showed about a 4% increase. With banks expected to recover, current forecasts call for a 14.5% increase in S&P 500 earnings in 1990.

For the 1980s, the median company in this survey had an average sales growth rate of 9.3% and an earnings growth rate of 6.4%. Price Co., the San Diego-based warehouse retailer, had the best long-term earnings growth rate, 49%. Liz Claiborne, Consolidated Stores and Limited had long-term earnings growth above 40% a year.

Note that six of the ten companies ranked highest for growth carry a note indicating their rates reflect eight- or nine-year performance rather than a full ten-year period. Giant companies rarely lead this list; it's a lot easier for a company with $1 million in profits to double its earnings year after year than it is for a firm with profits of $500 million. Thus, today's winners are unlikely to be growth stars again in the 1990s.

The following table is ranked on ten-year earnings growth, as opposed to a five-year growth rate in previous surveys. This change to a ten-year ranking has knocked a number of companies, including Reebok, Sun Microsystems and Compaq Computer, from places at or near the top of the list. These firms have not been around long enough for FORBES to calculate a ten-year earnings growth rate. To find the five-year growth rates, see the reports starting on page 122.

	Earnings per share			Sales		
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Price Co	1	48.9[a]	22.3	6	54.5[a]	20.9
Liz Claiborne	2	45.4[a]	40.2	11	44.6[a]	17.0
Consolidated Stores	3	44.0[b]	−33.3	860	NM	2.3
Limited	4	42.8	67.3	23	38.4	18.7
Student Loan	5	41.5	20.7	54	28.9	49.6
Leucadia National	6	39.7[b]	500.0+	34	35.3	31.5
Cray Research	7	39.4	23.5	18	39.5	33.3
Hasbro	8	38.8[a]	52.5	21	39.3	3.4
Circuit City Stores	9	38.6	20.5	35	35.0	22.0
Oshkosh Truck	10	38.5[b]	−17.3	53	28.9[b]	21.0
Intergraph	11	38.4[a]	−5.2	20	39.4[a]	6.5
Wal-Mart Stores	12	38.3	27.4	28	37.4	26.6
Apple Computer	13	37.3	14.6	24	38.4	29.8
First Financial Mgmt	14	36.2	46.4	8	48.5	84.4
Mark IV Industries	15	35.1	14.9	13	40.6	113.4
General Motors EDS	16	34.9	10.2	25	38.3	13.3
Marion Laboratories	17	33.6	−54.3	107	21.7	22.0
Cardinal Distribution	18	31.9	−26.0	116	20.8	31.6
Dart Group	19	31.4	D-P	860	NM	87.8
Tandem Computers	20	30.3	21.9	26	38.0	24.2
Lockheed	21	30.2	−67.5	311	12.7	−11.8
Dairy Mart	22	29.6[b]	−72.8	4	55.0[b]	19.9
SCI Systems	23	29.6	−65.3	10	45.0	23.8
Berkshire Hathaway	24	29.0	32.7	109	21.5	6.1
Dillard Dept Stores	25	28.7	26.8	83	24.2	13.9
Precision Castparts	26	28.5	−18.2	92	23.2	3.6
Arden Group	27	28.3	20.7	824	−3.2	−2.1
Burlington Coat	28	28.1	2.7	27	37.6	18.2
Toys "R" Us	29	27.7	23.0	61	27.0	18.9
Progressive	30	27.5	28.0	57	28.1	14.1
Brunswick	31	27.2	P-D	409	10.5	−11.6
Food Lion	32	26.5	21.2	56	28.4	26.3
Gap	33	26.5	53.4	202	16.1	23.3
Enstar Group	34	26.3	P-D	19	39.4	1.5
Tyson Foods	35	25.4	22.0	101	22.2	31.1
Waste Management	36	24.9	23.8	66	26.4	26.4
Circus Circus	37	24.5	13.7	99	22.4	2.3
Stone Container	38	24.0	13.1	44	31.7	32.4
Bruno's	39	23.8	17.0	143	18.8	11.1
Shaw Industries	40	23.8	48.3	132	19.6	15.6
State Street Boston	41	23.7	13.6	237	14.8	20.3
Esselte Business Sys	42	23.2[b]	−3.5	250	14.4a	2.0
Ryland Group	43	23.1	2.2	102	22.0	7.0
Washington Post	44	23.1	−37.9	420	10.3	5.3
Pic'N'Save	45	23.0	−7.6	131	19.7	18.3
20th Century Inds	46	22.9	78.1	51	29.9	16.3
NIKE	47	22.7	38.4	60	27.9	26.0
Mercury General	48	22.7[b]	−37.7	49	30.4[b]	16.4
VF	49	22.2	−1.9	148	18.6	−2.2
New York Times	50	22.0	117.9	295	13.2	−1.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. a: Nine-year average. b: Eight-year average.

	Earnings per share			Sales		
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Safety-Kleen	51	22.0	18.4	160	18.0	17.1
Philips Industries	52	21.9	–1.3	245	14.7	21.3
Marshall Industries	53	21.8[a]	–4.8	108	21.5	14.4
Hechinger	54	21.6[a]	–21.0	90	23.7[a]	23.2
CDI	55	21.6	30.2	234	14.9	24.3
Sherwin-Williams	56	21.1	8.2	690	5.4	9.7
Carter-Wallace	57	21.1	15.6	373	11.2	6.0
Fuqua Industries	58	20.9	P-D	840	–5.3	3.5
Getty Petroleum	59	20.8	3.6	58	28.0	–11.4
CR Bard	60	20.7	1.9	256	14.3	6.4
Federal Express	61	20.6	–18.4	30	36.9	41.6
Helene Curtis Inds	62	20.6	20.1	187	16.8	25.5
Charming Shoppes	63	20.6	41.9	73	25.3	14.4
Ralston Purina	64	20.6	14.4	765	3.2	13.3
Browning-Ferris Inds	65	20.5	15.2	166	17.7	23.4
Hartford Steam Boiler	66	20.3	11.0	354	11.6	6.3
Comdisco	67	20.3	500.0+	100	22.3	31.0
Nordstrom	68	20.3	20.3	87	23.9	19.2
Loews	69	20.2	6.4	351	11.7	8.6
Landmark Land	70	20.2	D-D	36	35.0	54.5
Dibrell Brothers	71	20.1	43.1	762	3.3	26.5
Valspar	72	20.1	16.6	144	18.8	3.5
Marriott	73	20.0	13.4	130	19.8	11.9
Golden West Finl	74	19.9	15.6	158	18.1	37.0
Syntex	75	19.8	4.1	368	11.3	5.7
Giant Food	76	19.7	23.5	436	10.1	9.6
Super Food Services	77	19.5	9.4	553	7.9	7.5
General Cinema	78	19.5	500.0+	469	9.3	–0.9
Geico	79	19.4	9.0	386	10.9	7.7
Pep Boys	80	19.3	9.7	222	15.2	19.8
Intel	81	19.3	–34.1	192	16.7	8.8
Olsten	82	19.2	17.4	89	23.7	16.9
Alexander & Baldwin	83	19.2	72.6	590	7.3	20.6
Citizens & Southern	84	19.0	12.5	139	19.0	17.2
Highland Superstores	85	19.0[b]	P-D	40	32.2[b]	11.1
Humana	86	18.9	11.3	199	16.3	19.0
United Stationers	87	18.5[a]	6.7	85	24.0[a]	13.2
Smithfield Foods	88	18.5[a]	–65.2	82	24.2[a]	–4.5
Great Lakes Chemical	89	18.5	27.0	141	18.9	28.9
Nacco Industries	90	18.5	3.8	641	6.4	72.6
Shoney's	91	18.5	–69.9	157	18.2	13.2
Anheuser-Busch Cos	92	18.5	12.2	230	15.0	5.5
Bandag	93	18.4	15.0	710	5.0	9.4
Deluxe	94	18.4	6.1	291	13.2	16.5
General Public Utils	95	18.3	–0.8	564	7.7	3.1
UST Inc	96	18.3	16.9	347	11.9	7.3
Family Dollar Stores	97	18.2	–20.4	138	19.1	13.1
Abbott Laboratories	98	18.1	16.4	333	12.3	7.5
Dixie Yarns	99	18.1	–28.0	429	10.1	–4.1
Kelly Services	100	18.1	15.9	195	16.5	7.1
Dow Jones	101	18.1	30.3	232	14.9	3.4
A Schulman	102	18.1	11.7	479	9.2	4.5
Torchmark	103	17.9	22.6	151	18.3	0.6
Philip Morris Cos	104	17.8	11.9	180	17.2	46.1
American Family	105	17.8	–24.6	103	22.0	7.3
Hannaford Bros	106	17.8	27.6	339	12.1	24.7
Rubbermaid	107	17.7	15.3	190	16.7	13.8
Village Super Market	108	17.7	–17.4	389	10.9	5.9
TBC	109	17.7	8.3	424	10.3	0.5
General Dynamics	110	17.7[a]	–11.4	360	11.4	4.9
Molex	111	17.6	–8.5	136	19.3	9.1
Herman Miller	112	17.5	–7.2	171	17.5	7.5
Analog Devices	113	17.3	17.4	135	19.3	7.9
Capital Cities/ABC	114	17.3	16.5	43	31.7	–2.1
Dean Foods	115	17.3	38.3	283	13.4	9.9
PH Glatfelter	116	17.2	27.0	430	10.1	8.5
CBS	117	17.1	–79.4	860	NM	3.2
Holly Corp	118	16.8	45.3	860	NM	–1.3
FMC	119	16.7	51.9	860	NM	6.5
E-Systems	120	16.5	10.8	221	15.3	15.7
Walgreen	121	16.5	19.0	216	15.4	10.2
Dun & Bradstreet	122	16.4	18.6	150	18.4	6.2
Tucson Electric	123	16.2[a]	P-D	301	13.0[a]	14.8
ConAgra	124	16.1	25.4	32	36.4	28.3
Sysco	125	16.1	5.9	165	17.8	46.4
GenCorp	126	16.0	3.6	860	NM	7.0
Salem Carpet Mills	127	16.0	12.9	488	9.0	3.9
Rollins	128	15.9[a]	–6.7	702	5.2[a]	5.3
Rite Aid	129	15.9	–2.1	257	14.3	12.5
Automatic Data	130	15.9	14.6	167	17.7	6.4
Loral	131	15.8	1.8	65	26.7	–12.8
Blair	132	15.8	–8.6	606	7.1	3.8
Digital Equipment	133	15.8	–17.1	98	22.5	8.8
Barnett Banks	134	15.8	10.1	63	26.8	16.7
Leggett & Platt	135	15.7	18.1	200	16.1	26.0
American Intl Group	136	15.6	15.7	117	20.6	8.9
Handleman	137	15.6	16.6	381	11.0	15.6
Cincinnati Financial	138	15.5	–3.9	259	14.2	6.3
Tandy	139	15.5	3.4	266	13.8	8.7
McDonald's	140	15.4	14.5	335	12.3	11.7
Rockwell Intl	141	15.4	–5.6	496	8.9	4.8
Cooper Tire & Rubber	142	15.3	50.0	399	10.8	17.0
La-Z-Boy Chair	143	15.3	1.4	260	14.2	9.5
Phillips-Van Heusen	144	15.3	14.7	688	5.4	14.3
Signet Banking	145	15.2[b]	–18.5	292	13.2[b]	2.0
Hewlett-Packard	146	15.2	4.8	175	17.4	21.0
Pall	147	15.1	–2.6	197	16.4	15.8
Ames Dept Stores	148	15.1	–89.2	50	30.3	109.8
WR Berkley	149	15.1	0.0	113	21.0	2.2
Amdahl	150	14.9	–14.2	133	19.5	16.2
Caesars World	151	14.8	–14.7	294	13.2	6.8
Armstrong World Inds	152	14.7	0.0	587	7.4	11.9
Albertson's	153	14.7	23.8	398	10.8	15.1
Mercantile Stores	154	14.7	7.9	458	9.6	2.7
Strawbridge	155	14.7	4.8	395	10.8	6.1
RR Donnelley & Sons	156	14.6	10.6	290	13.2	12.2
First Wachovia	157	14.6[b]	13.2	431	10.1[b]	20.9
HJ Heinz	158	14.6	14.2	539	8.0	9.2
Schultz Sav-O Stores	159	14.5	25.6	665	5.9	9.6
Kellogg	160	14.5	1.6	487	9.0	10.3
James River Corp Va	161	14.5	12.5	22	39.1	10.0
Kaman	162	14.4	–70.3	437	10.0	8.2
Longview Fibre	163	14.4	–18.0	586	7.4	10.9
Bankers Trust NY	164	14.3	P-D	492	8.9	16.1
Rouse	165	14.3	–25.8	179	17.2	9.5
Bob Evans Farms	166	14.2	–0.2	220	15.3	5.4
Medtronic	167	14.2	7.3	387	10.9	8.9
Newell Co	168	14.2	39.7	88	23.7	10.4
Jostens	169	14.1	–40.9	417	10.4	32.4
Rohm & Haas	170	14.1	–11.9	696	5.3	6.5
Tribune	171	14.1	22.0	489	9.0	5.1
CoreStates Financial	172	14.0	14.3	300	13.0	17.7
Quaker Oats	173	14.0	–17.2	406	10.6	4.4
Service Corp Intl	174	14.0	46.5	106	21.8	4.6
American Water	175	14.0	–7.1	461	9.5	3.7
Banta	176	14.0	47.2	329	12.4	36.3
Standard Register	177	14.0	3.1	349	11.8	6.5
Federal Paper Board	178	14.0	88.0	352	11.7	18.0
Kellwood	179	13.9	11.6	805	1.5	10.6
First Union	180	13.9	–0.7	67	26.4	14.4
Hershey Foods	181	13.8	–21.6	442	9.9	11.6
Pitney Bowes	182	13.7	9.1	359	11.5	8.6
American Stores	183	13.7	–29.1	86	24.0	25.7
Wallace Computer Svs	184	13.7	15.4	248	14.5	12.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN GROWTH

		Earnings per share			Sales	
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Commerce Clearing	185	13.6	–25.1	331	12.4	12.1
Bergen Brunswig	186	13.6	22.2	78	24.9	12.5
Collins Foods Intl	187	13.6	12.3	297	13.1	–2.5
Walt Disney	188	13.6	34.2	174	17.4	33.6
Seagram	189	13.6	8.0	575	7.5	32.3
Pfizer	190	13.6	–6.8	565	7.7	4.8
Sovran Financial	191	13.6[b]	12.2	236	14.9[b]	17.7
Premier Industrial	192	13.5	16.3	536	8.1	10.7
Flowers Industries	193	13.5	–34.9	369	11.3	8.6
Merck	194	13.5	26.4	451	9.8	9.0
Bank of Boston	195	13.5	–30.7	308	12.8	27.3
Clorox	196	13.5	–8.0	692	5.3	8.1
Grumman	197	13.4	368.1	410	10.5	4.6
Capital Holding	195	13.4	86.8	201	16.1	27.0
Trinova	199	13.3	–56.1	676	5.7	5.9
May Dept Stores	200	13.3	5.2	382	11.0	–1.6
Florida Rock Inds	201	13.2	–8.7	425	10.2	19.4
HomeFed	202	13.1	6.6	162	17.9	23.8
Corroon & Black	203	13.1	–67.1	268	13.8	10.8
National Medical	204	13.1	0.0	42	31.7	15.5
Hillenbrand Inds	205	13.0	4.3	310	12.8	15.7
Melville	206	13.0	15.0	247	14.5	12.7
Selective Insurance	207	13.0	–3.1	276	13.6	9.9
EG&G	208	12.9	6.8	345	11.9	20.8
Sonoco Products	209	12.9	23.6	224	15.2	5.2
Brown-Forman	210	12.8	53.7	212	15.6	–5.5
SouthTrust	211	12.8	7.3	269	13.8	22.7
Weis Markets	212	12.8	6.8	526	8.4	7.8
Alberto-Culver	213	12.8	13.1	337	12.2	18.6
First of America Bank	214	12.8	16.8	124	20.3	19.8
Sara Lee	215	12.8	22.4	454	9.6	8.7
Masco	216	12.7	–11.7	281	13.4	25.6
Apogee Enterprises	217	12.7	14.3	152	18.3	41.3
CalFed	218	12.6	–48.6	104	21.9	11.5
PepsiCo	219	12.6	22.6	443	9.9	19.1
BayBanks	220	12.6	–5.5	229	15.0	23.2
Stanhome	221	12.6	17.5	470	9.3	13.2
Russell	222	12.5	15.5	357	11.5	24.0
Worthington Inds	223	12.5	5.5	205	15.9	8.1
UtiliCorp United	224	12.4	1.1	127	20.1	2.8
Martin Marietta	225	12.4	–27.4	356	11.6	3.2
Yellow Freight Sys	226	12.4	4.2	393	10.9	11.9
Hanover Insurance	227	12.4	–19.6	242	14.7	2.3
Tele-Communications	228	12.4	P-D	15	40.4	32.2
Old Kent Financial	229	12.4	12.5	163	17.9	24.8
PNC Financial	230	12.3	29.9	147	18.4	29.1
Firstar	231	12.3	29.6	625	6.8	16.4
Figgie Intl	232	12.3	5.8	706	5.1	18.5
Lowe's Cos	233	12.3	35.5	252	14.4	7.0
Equifax	234	12.2	6.5	484	9.1	13.8
Circle K	235	12.2	–90.7	94	23.1	33.6
Interlake	236	12.0	–72.2	820	–2.4	7.6
PPG Industries	237	12.0	0.5	611	7.1	4.2
Chemical Banking	238	12.0	P-D	499	8.8	8.9
Block Drug	239	12.0	8.2	440	10.0	8.6
Owens & Minor	240	12.0	–46.6	120	20.4	24.0
Rose's Stores	241	11.9	–25.5	314	12.6	5.4
South Carolina Natl	242	11.9	7.6	182	17.1	19.6
Durr-Fillauer	243	11.8	138.2	95	23.0	18.1
Wm Wrigley Jr	244	11.8	23.7	683	5.5	10.6
Safeco	245	11.8	36.4	421	10.3	13.0
Super Valu Stores	246	11.8	12.8	289	13.3	10.1
Gannett	247	11.8	11.0	215	15.5	6.5
Marsh & McLennan	248	11.7	–1.2	178	17.2	6.1
Scott Paper	249	11.7	–0.3	446	9.9	11.3
Modine Manufacturing	250	11.7	–9.4	482	9.1	5.9
CNA Financial	251	11.6	38.6	302	13.0	13.4

		Earnings per share			Sales	
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Banc One	252	11.6	2.8	154	18.2	21.8
DWG	253	11.6	P-D	76	25.1	6.3
MNC Financial	254	11.5	17.0	231	14.9	22.2
Times Mirror	255	11.5	10.9	517	8.5	8.6
Arvin Industries	256	11.5	–37.7	322	12.5	11.9
Wetterau	257	11.5	12.4	194	16.5	12.0
Archer Daniels	258	11.5	25.1	325	12.5	8.7
Bank of New England	259	11.4[a]	–12.8	140	19.0[a]	19.1
Millipore	260	11.4	–1.6	206	15.8	8.3
General Re	261	11.4	36.8	228	15.0	–8.6
Air Express Intl	262	11.4	–13.6	405	10.7	2.7
HB Fuller	263	11.3	–33.9	372	11.2	13.3
Borden	264	11.3	P-D	712	5.0	7.9
Florida Natl Banks	265	11.2	P-D	125	20.2	6.9
Universal	266	11.2	–23.3	537	8.1	13.4
Consolidated Papers	267	11.1	10.2	588	7.4	6.3
Potomac Electric	268	11.1	–1.9	608	7.1	–0.6
Illinois Tool Works	269	11.0	16.2	169	17.6	11.1
Fay's	270	11.0	33.1	287	13.3	8.5
Snap-on Tools	271	11.0	1.1	452	9.8	5.2
Amer Home Prods	272	10.9	10.0	705	5.1	5.8
Coca-Cola	273	10.9	24.3	637	6.5	5.3
Lukens	274	10.9	20.4	707	5.1	10.7
Hubbell	275	10.8	10.7	605	7.1	7.1
USG	276	10.8	–39.1	549	7.9	–9.3
CalMat	277	10.7[b]	0.5	320	12.6[b]	11.5
McGraw-Hill	278	10.7	7.0	502	8.7	–1.7
H&R Block	279	10.7	12.4	183	17.1	15.5
National City	280	10.6[a]	42.6	208	15.8[a]	16.9
Lance	281	10.6	1.6	566	7.7	11.1
Avery International	282	10.5	73.0	340	12.1	9.5
JC Penney	283	10.5	42.2	748	3.8	2.1
Thermo Electron	284	10.5	19.4	246	14.6	27.2
Meredith	285	10.4	–10.6	543	8.0	10.0
Bancorp Hawaii	286	10.4	0.5	280	13.5	28.7
Carl Karcher	287	10.4	49.6	271	13.7	20.7
Bemis	288	10.3	23.0	727	4.5	3.7
Chase Manhattan	289	10.3	P-D	595	7.2	18.5
Ecolab	290	10.3	–6.3	516	8.5	8.3
Bausch & Lomb	291	10.2	15.3	640	6.4	27.4
Interpublic Group	292	10.2	17.1	305	12.9	15.8
Eli Lilly	293	10.1	21.8	613	7.0	12.8
NCNB	294	10.1	67.2	115	20.9	91.0
Kimball International	295	10.1	15.0	392	10.9	16.0
National Service	296	10.0	9.7	512	8.5	8.9
Midlantic	297	10.0	22.3	69	26.0	25.2
INB Financial	298	10.0	25.8	397	10.8	20.9
Security Pacific	299	10.0	64.3	244	14.7	19.1
Crestar Financial	300	9.9	22.3	255	14.4	15.8
Holiday	301	9.9	–29.4	763	3.2	–2.0
Raychem	302	9.9	–70.0	275	13.6	–1.3
Wisconsin Energy	303	9.9	–18.5	636	6.5	0.8
Citicorp	304	9.9	–3.1	317	12.6	19.6
AH Robins	305	9.9	D-P	413	10.5	–0.9
Echlin	306	9.8	–28.6	173	17.4	12.4
Diebold	307	9.8	1.2	698	5.2	1.3
National Education	308	9.8	7.0	62	27.0	1.1
Tambrands	309	9.8	–12.4	270	13.7	4.0
Zenith National Ins	310	9.8	–4.4	80	24.5	–6.4
Curtice Burns Foods	311	9.8	1.9	447	9.9	21.1
Becton Dickinson	312	9.8	34.7	548	7.9	6.0
United Brands	313	9.7	24.2	860	NM	9.1
Scientific-Atlanta	314	9.6	27.3	172	17.5	12.2
Merrill Lynch	315	9.6	149.4	118	20.6	23.7
NBD Bancorp	316	9.5	15.1	390	10.9	18.1
KeyCorp	317	9.5	37.6	68	26.4	22.4
Marshall & Ilsley	318	9.5	6.9	209	15.7	17.4

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		Earnings per share			Sales	
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Johnson & Johnson	319	9.5	14.9	528	8.3	7.5
Dover	320	9.4	6.6	341	12.1	10.5
WW Grainger	321	9.4	7.6	518	8.5	11.7
Warner-Lambert	322	9.3	22.0	807	1.3	8.6
Valmont Industries	323	9.3	48.2	159	18.1	24.8
Chubb	324	9.2	20.7	240	14.7	8.4
Willamette Inds	325	9.2	11.6	619	6.9	12.8
AMP	326	9.2	–1.8	366	11.3	7.9
Knight-Ridder	327	9.1	55.0	466	9.4	9.8
Raytheon	328	9.0	10.5	514	8.5	7.9
Dow Chemical	329	9.0	32.1	679	5.7	10.4
Consolidated Edison	330	9.0	5.6	703	5.2	6.0
Genuine Parts	331	8.9	13.0	473	9.3	8.5
Vulcan Materials	332	8.9	–0.4	735	4.4	5.2
HON Industries	333	8.9	109.7	296	13.1	8.1
Genesco	334	8.9	53.1	848	–7.0	8.6
Crown Cork & Seal	335	8.8	7.5	776	2.9	3.0
McDonnell Douglas	336	8.8	–57.3	293	13.2	5.2
Baltimore G&E	337	8.8	–13.3	623	6.8	8.5
Society	338	8.7	13.5	181	17.2	17.3
K mart	339	8.7	1.4	491	8.9	5.8
First American Finl	340	8.7	–28.2		NA	13.1
General Electric	341	8.7	33.1	529	8.3	10.1
AmSouth Bancorp	342	8.7	27.0	278	13.5	15.7
Northern Trust	343	8.6	356.5	609	7.1	27.9
Westinghouse	344	8.6	–3.4	691	5.4	5.7
Household Intl	345	8.6	2.7	855	–9.0	120.0
Commerce Bcshs	346	8.6	25.8	433	10.1	18.2
Bank of New York	347	8.6	P-D	282	13.4	119.0
Nucor	348	8.6	49.7	397	10.8	20.4
Betz Laboratories	349	8.6	16.7	438	10.0	16.5
Unisys	350	8.6	P-D	213	15.6	1.8
Upjohn	351	8.5	9.2	649	6.3	8.7
Laclede Gas	352	8.5	–7.6	754	3.5	1.9
Campbell Soup	353	8.4	–89.6	474	9.3	16.7
Ball Corp	354	8.4	–58.8	556	7.8	8.9
Computer Sciences	355	8.4	15.3	338	12.2	18.8
Centex	356	8.3	89.2	622	6.8	19.5
Ryder System	357	8.3	–42.8	225	15.1	3.4
Bindley Western Inds	358	8.3[a]	118.5	156	18.2[a]	21.6
First Tennessee Natl	359	8.3	–26.7	375	11.2	15.2
Longs Drug Stores	360	8.3	10.2	385	11.0	9.8
Phelps Dodge	361	8.2	40.0	860	NM	22.4
San Diego G&E	362	8.1	–6.2	346	11.9	–2.4
Tyco Laboratories	363	8.1	12.6	105	21.9	22.6
Air Prods & Chems	364	8.1	3.6	584	7.4	8.6
AG Edwards	365	8.1	93.2	185	17.0	15.3
Emerson Electric	366	8.0	13.9	400	10.8	6.3
Rorer Group	367	8.0[a]	18.2	217	15.4[a]	10.6
Goodyear	368	8.0	–46.7	778	2.8	3.3
Geo A Hormel	369	8.0	16.6	664	5.9	2.1
Seaboard	370	7.9	55.4	860	NM	36.2
Carolina Freight	371	7.9	63.3	253	14.4	4.9
Dominion Bankshares	372	7.9	10.7	168	17.7	20.0
NCR	373	7.8	–0.4	545	8.0	–0.6
Meridian Bancorp	374	7.8[a]	8.0	191	16.7[a]	12.0
No States Power	375	7.7	–9.3	593	7.3	1.2
Gt Northern Nekoosa	376	7.7	12.8	370	11.3	14.1
Ruddick	377	7.6	9.5	365	11.3	17.8
Aon	378	7.6	25.9		NA	NA
American Natl Ins	379	7.6	20.9	722	4.6	8.4
Rykoff-Sexton	380	7.5[a]	7.2	114	21.0[a]	12.8
Ipalco Enterprises	381	7.5	–0.4	610	7.1	–0.9
First Chicago	382	7.4	26.5	633	6.6	12.9
Cincinnati Bell	383	7.4	4.9	465	9.4	20.8
McCormick & Co	384	7.4	303.4	401	10.8	6.5
Chesapeake	385	7.4	2.4	239	14.8	12.0
WPL Holdings	386	7.4	–27.9	654	6.3	3.0
Southwest Gas	387	7.4	–13.8	267	13.8	–1.3
Comerica	388	7.3	–29.2	388	10.9	20.2
Allegheny Power	389	7.3	–1.3	542	8.0	1.6
Noland	390	7.2	–46.9	630	6.7	0.2
Florida Progress	391	7.2	9.9	416	10.4	3.3
Hartmarx	392	7.2	–24.2	597	7.2	8.8
Westvaco	393	7.2	11.3	678	5.7	7.0
Kimberly-Clark	394	7.2	12.2	422	10.3	7.7
Huntington Bcshs	395	7.2	34.6	189	16.7	20.2
PS Group	396	7.2	–85.8	860	NM	–10.6
Provident Life & Acc	397	7.1	107.5	307	12.8	1.2
Mfrs Hanover	398	7.1	P-D	463	9.4	10.0
Hadson	399	7.1[b]	P-D	860	NM	30.8
Quantum Chemical	400	7.1	6.6	713	5.0	–0.2
Jefferson-Pilot	401	7.1	45.0	724	4.6	10.8
Washington Gas Light	402	7.1	–3.6	604	7.1	13.8
PHH	403	7.1	130.3	77	25.0	7.6
Monsanto	404	7.0	14.3	764	3.2	3.6
Rohr Industries	405	7.0	2.7	538	8.1	15.2
National Fuel Gas	406	6.9	17.0	768	3.1	11.3
Loctite	407	6.9	27.1	460	9.5	8.3
Northeast Utilities	408	6.9	10.1	533	8.2	–2.7
Stanley Works	409	6.9	15.2	504	8.7	3.4
SCEcorp	410	6.8	–7.1	478	9.2	11.4
Reynolds & Reynolds	411	6.8	50.6	249	14.5	0.3
Springs Industries	412	6.8	49.6	464	9.4	6.2
Kentucky Utilities	413	6.8	–10.7	645	6.3	–6.1
IBM	414	6.8	7.2	353	11.7	9.3
Alltel	415	6.7[a]	–14.2	419	10.3[a]	20.0
Minnesota Power & Lt	416	6.7	47.6	701	5.2	7.7
American Brands	417	6.7	3.7	644	6.4	–3.9
Hercules	418	6.7	–13.0	791	2.3	12.3
Intl Flavors & Frags	419	6.7	8.7	589	7.3	2.9
Nash Finch	420	6.6	–42.6	456	9.6	7.7
Textron	421	6.6	4.2	480	9.1	2.5
Pioneer Hi-Bred Intl	422	6.6	59.3	315	12.6	–0.9
Piedmont Natural Gas	423	6.6	–11.2	332	12.3	8.9
Kansas Power & Light	424	6.6	–15.5	153	18.3	–9.2
Jamesway	425	6.6	–50.0	238	14.8	10.9
Equitable Resources	426	6.6	21.6	686	5.5	9.7
Fleming Cos	427	6.6	50.0	177	17.3	30.7
Pentair	428	6.5	–15.7	122	20.3	37.7
Universal Foods	429	6.5	43.4	485	9.1	16.4
CPC International	430	6.5	14.8	769	3.1	8.6
HF Ahmanson	431	6.5	7.1	306	12.8	27.7
Marsh Supermarkets	432	6.5	33.1	540	8.0	2.4
Chemed	433	6.4	6.3	737	4.3	30.5
Exxon	434	6.4	–23.9	860	NM	4.8
American Greetings	435	6.3	32.2	277	13.5	2.0
Wisconsin Public Svc	436	6.3	–11.8	667	5.8	0.7
BMA	437	6.3	197.5	562	7.8	4.0
Dominion Resources	438	6.2	–13.8	551	7.9	10.7
Oklahoma G&E	439	6.2	–15.5	580	7.5	0.4
Ameritrust	440	6.2	37.8	510	8.6	15.8
Southern Company	441	6.2	12.8	423	10.3	1.6
FW Woolworth	442	6.1	8.7	860	NM	10.8
SPX	443	6.1	89.3	243	14.7	–17.0
Central & So West	444	6.1	–23.9	628	6.8	–0.2
Eaton	445	6.0	7.6	794	1.9	7.7
First American Corp	446	6.0	–58.0	184	17.0	11.6
So N England Telecom	447	5.9	23.1	493	8.9	7.4
Witco	448	5.9	28.6	677	5.7	1.4
Delchamps	449	5.9[a]	25.4	235	14.9[a]	4.6
Southwestern Pub Svc	450	5.9	–2.0	477	9.3	0.6
American Cyanamid	451	5.9	8.3	749	3.7	5.8
Texas Utilities	452	5.9	–6.0	414	10.5	2.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN GROWTH

Company	Earnings per share rank	Earnings per share 10-year average %	Earnings per share latest 12 months %	Sales rank	Sales 10-year average %	Sales latest 12 months %
Olin	453	5.8	26.8	795	1.7	15.7
Outboard Marine	454	5.8	–2.7	594	7.3	–8.8
Thomas & Betts	455	5.8	–3.0	505	8.6	7.5
Morrison	456	5.8	14.5	363	11.4	19.2
Alaska Air Group	457	5.8	45.0	70	25.8	12.2
TECO Energy	458	5.7	12.7	441	10.0	3.3
Consol Natural Gas	459	5.6	–21.6	770	3.1	10.6
Kansas City P&L	460	5.5	–18.3	535	8.1	–1.8
Commonwealth Ener	461	5.5	21.2	646	6.3	14.4
Gt Western Financial	462	5.5	17.2	142	18.9	92.1
AM Castle & Co	463	5.5	–31.6	730	4.4	8.1
Minn Mining & Mfg	464	5.4	13.9	583	7.4	11.9
Nalco Chemical	465	5.4	14.6	689	5.4	9.0
Kemper	466	5.4	82.6	129	20.0	16.3
Johnson Controls	467	5.4	–9.9	207	15.8	18.8
Louisville G&E	468	5.3	–0.6	591	7.3	3.2
FPL Group	469	5.2	–1.8	312	12.7	4.1
AVX Corp	470	5.2	–45.2	211	15.7	1.3
Paramount Commun	471	5.2	2.4	827	–3.7	–22.9
Riggs National	472	5.2	90.4	407	10.6	26.8
US Bancorp	473	5.2	35.9	321	12.5	19.9
Warner Commun	474	5.2	–61.7	557	7.8	35.3
Consol Freightways	475	5.1	–17.1	660	6.2	34.6
Hilton Hotels	476	5.0	–22.5	656	6.2	7.1
Hawaiian Electric	477	5.0	24.3	592	7.3	20.8
Delmarva Power & Lt	478	5.0	3.8	635	6.6	3.1
Dayton Hudson	479	5.0	59.3	219	15.3	12.5
Varian Associates	480	5.0	20.5	448	9.8	14.8
Atlantic Energy	481	4.9	–1.1	449	9.8	5.4
Scana	482	4.9	5.6	483	9.1	4.0
Atlanta Gas Light	483	4.9	–15.6	550	7.9	–3.8
Southdown	484	4.8	–4.8	467	9.4	24.2
Corning	485	4.8	–21.2	721	4.6	12.0
Winn-Dixie Stores	486	4.7	16.7	598	7.2	2.8
Duke Power	487	4.7	–9.6	379	11.1	–2.1
Peoples Energy	488	4.7	3.5	793	2.1	6.4
Equitable of Iowa	489	4.7	37.6		NA	16.2
Iowa-Illinois G&E	490	4.6	1.5	673	5.7	–0.8
Whirlpool	491	4.6	–14.2	522	8.4	28.3
Orange & Rockland	492	4.5	–14.5	687	5.4	10.7
American General	493	4.5	14.5	164	17.8	19.1
Liberty Corp	494	4.5	–54.5		NA	–5.0
St Paul Cos	495	4.4	8.0	506	8.6	8.9
Moore Corp	496	4.4	19.8	700	5.2	6.6
Dexter	497	4.3	15.2	617	6.9	2.3
Alco Standard	498	4.3	71.2	459	9.6	8.8
Sears, Roebuck	499	4.3	–18.6	523	8.4	8.4
CILcorp	500	4.3	49.6	759	3.3	–2.5
Schering-Plough	501	4.3	21.4	532	8.2	7.9
Centel	502	4.3	75.2	621	6.9	–19.6
Nortek	503	4.2	D-D	41	32.0	–8.8
American Bankers	504	4.2	–29.6	251	14.4	–15.8
Southwest Airlines	505	4.2	61.5	71	25.5	18.9
Rochester Telephone	506	4.2	22.3	344	12.0	13.9
Guilford Mills	507	4.2	–4.8	313	12.7	5.6
Old Republic Intl	508	4.1	–46.6	170	17.6	8.4
Wendy's Intl	509	4.1	–3.7	137	19.3	–0.2
Coastal Corp	510	4.1	35.8	531	8.3	4.2
Commonwealth Ed	511	4.0	–15.3	495	8.9	5.4
Union Pacific	512	4.0	7.6	642	6.4	0.8
Union Camp	513	4.0	17.1	620	6.9	7.2
Wackenhut	514	4.0	–4.8	361	11.4	9.3
USAir Group	515	4.0	–65.5	123	20.3	16.5
Commercial Metals	516	4.0	15.1	860	NM	14.7
Hughes Supply	517	3.9	–7.6	262	14.0	6.9
Brooklyn Union Gas	518	3.9	1.2	511	8.6	7.8
TRW	519	3.9	–6.7	697	5.3	1.8

Company	Earnings per share rank	Earnings per share 10-year average %	Earnings per share latest 12 months %	Sales rank	Sales 10-year average %	Sales latest 12 months %
Perkin-Elmer	520	3.8	P-D	618	6.9	–32.7
EI du Pont de Nemours	521	3.7	19.1	364	11.4	8.4
Tecumseh Products	522	3.7	16.6	787	2.4	33.0
GTE	523	3.7	10.0	632	6.6	5.4
United Technologies	524	3.6	–2.7	519	8.5	12.9
Public Service Colo	525	3.6	48.6	560	7.8	2.3
Boeing	526	3.5	32.6	428	10.2	21.6
Lincoln National	527	3.5	94.4	330	12.4	14.2
Parker Hannifin	528	3.5	–9.3	394	10.8	7.9
Pub Svc Enterprise	529	3.4	1.2	614	7.0	8.4
Foremost Corp	530	3.4	–28.5	497	8.9	0.6
Cincinnati G&E	531	3.3	63.8	653	6.3	2.2
Wicor	532	3.2	–0.2	500	8.8	0.8
Houston Industries	533	3.2	–24.9	486	9.0	4.0
Ohio Edison	534	3.1	–23.4	507	8.6	5.7
Valley National	535	3.0	P-D	371	11.2	7.3
Multimedia	536	2.9	89.0	236	14.9	5.6
Square D	537	2.9	11.4	570	7.6	3.4
Central Ill Pub Svc	538	2.8	0.9	744	4.1	–1.6
American Electric	539	2.7	10.1	638	6.5	4.9
Intl Multifoods	540	2.6	–5.4	650	6.3	10.2
Constar Intl	541	2.1	120.9	783	2.5	3.7
Midwest Energy	542	1.7	15.5	418	10.4	–1.3
DQE	543	1.6	3.6	694	5.3	11.6
USLife	544	1.6	16.9	717	4.7	10.8
Beneficial Corp	545	1.5	–7.0	843	–6.0	24.3
Pinnacle West	546	1.3	P-D	319	12.6	8.7
Pennsylvania P&L	547	1.3	–2.9	334	12.3	1.4
Central Maine Power	548	–1.6	–34.4	403	10.7	8.0
Preston	549	–2.3	–27.0	218	15.4	6.7
Adolph Coors	550	–2.5	–27.3	521	8.4	15.4
Entergy	551	–2.7	P-D	569	7.6	8.6
UGI	552	–2.7	1.7	750	3.7	–26.0
WR Grace	553	–3.1	23.8	860	NM	11.2
Wyle Laboratories	554	–3.6	–14.8	662	6.0	3.1
Briggs & Stratton	555	–3.7	P-D	715	4.9	–7.1
Ogden	556	–4.0	39.1	856	–9.5	29.7
GATX	557	–4.1	23.3	841	–5.9	18.3
Kennametal	558	–4.2	19.0	742	4.1	13.4
Harris Corp	559	–4.4	–59.5	471	9.3	26.2
Arkla	560	–4.4	P-D	455	9.6	4.4
Interco	561	–4.5	–74.7	788	2.4	–28.5
Nicor	562	–4.7	8.2	860	NM	8.1
SPS Technologies	563	–5.0	173.4	711	5.0	3.8
Kerr-McGee	564	–5.2	66.1	860	NM	15.5
US Shoe	565	–5.4	500.0+	350	11.7	9.6
Brown Group	566	–5.6	–76.6	753	3.6	5.8
BankAmerica	567	–5.6	100.5	860	NM	17.7
Avnet	568	–5.6	12.4	652	6.3	–0.1
Nipsco Industries	569	–6.0	62.1	746	3.9	2.8
Gulf States Utils	570	–6.1	P-D	578	7.5	6.8
Xerox	571	–6.1	–35.4	439	10.0	5.6
Unocal	572	–6.1	D-P	860	NM	12.5
Bearings	573	–6.2	26.0	574	7.5	14.6
Amerada Hess	574	–6.2	D-P	832	–4.0	24.2
Lionel	575	–6.5	D-P	729	4.5	13.1
Public Service NH	576	–6.6	D-P	552	7.9	1.2
Tenneco	577	–6.8	500.0+	766	3.2	1.4
Jacobs Engineering	578	–6.8	40.7	860	NM	4.8
Schlumberger	579	–6.9	–28.5	751	3.6	–3.8
El Paso Electric	580	–6.9	P-D	279	13.5	5.8
Black & Decker	581	–6.9	–7.3	607	7.1	24.2
American Maize	582	–7.3	–53.8	719	4.7	12.3
LB Foster	583	–7.4	–63.5	822	–2.9	–1.6
Lone Star Industries	584	–7.4	3.6	837	–5.0	–27.4
Foster Wheeler	585	–7.7	345.0	830	–3.9	13.6
Columbia Gas System	586	–7.9	36.3	860	NM	–10.4

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		Earnings per share			Sales	
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
PSI Holdings	587	–7.9	–26.3	600	7.2	–0.2
First Security	588	–8.5	33.7	680	5.6	16.7
United Banks of Colo	589	–8.5	–25.0	376	11.1	11.0
Valero Energy	590	–8.5	D-P	860	NM	11.9
Fieldcrest Cannon	591	–8.7	D-P	367	11.3	–0.1
Soo Line	592	–8.9	–92.1	434	10.1	–6.7
General Signal	593	–9.0	303.3	757	3.4	10.8
General Development	594	–9.1[b]	–77.1	547	8.0[b]	27.0
Cincinnati Milacron	595	–9.7	D-P	860	NM	–1.9
Handy & Harman	596	–10.0	39.2	860	NM	2.6
Caterpillar	597	–10.1	–6.5	860	NM	10.1
Kroger	598	–10.3	P-D	475	9.3	0.1
Quanex	599	–10.7	86.4	668	5.8	10.6
Zenith Electronics	600	–10.7	D-D	445	9.9	–23.1
Dresser Industries	601	–11.0	42.4	860	NM	0.2
National-Standard	602	–11.4	P-D	810	–1.6	2.0
Texas Industries	603	–11.9	P-D	318	12.6	6.2
Earle M Jorgensen	604	–11.9	60.3	860	NM	16.4
Deere & Co.	605	–12.0	38.6	860	NM	15.0
Intl Minerals & Chem	606	–12.2	7.2	860	NM	–14.8
Butler Manufacturing	607	–12.8	72.7	725	4.6	–2.2
Tosco	608	–13.8	–81.6	847	–6.7	3.0
Oneok	609	–13.9	437.5	860	NM	8.2
Allen Group	610	–13.9	D-P	806	1.4	3.9
Carpenter Technology	611	–14.2	4.4	798	1.6	7.4
Clark Equipment	612	–14.5	172.4	831	–3.9	11.6
Wyman-Gordon	613	–14.9	P-D	834	–4.6	29.5
Timken	614	–15.2	77.3	860	NM	9.3
Dallas Corp	615	–16.7	–68.0	612	7.1	–4.5
Fluor	616	–17.3	–40.0	860	NM	31.1
Control Data	617	–17.4	P-D	789	2.4	–7.7
Foxboro	618	–17.4	D-P	797	1.6	13.5
Mitchell Energy	619	–18.0	266.7	860	NM	3.8
Halliburton	620	–18.0	–9.8	838	–5.2	9.7
Guy F Atkinson	621	–18.5[b]	D-D	815	–2.2[b]	–8.7
Continental Bank	622	–19.3	D-P	860	NM	20.7
US Home	623	–21.0	D-D	860	NM	–5.8
Occidental Petroleum	624	–21.8[a]	–41.6	544	8.0	9.6
Seagate Technology	625	–22.2	40.9	655	6.2	16.4
Aetna Life & Cas		NM	1.0		NA	NA
Airborne Freight		NM	94.1	273	13.7	23.2
Alcan Aluminium		NM	24.9	648	6.3	9.7
Alexander's		NM	D-P	803	1.5	–11.8
Allegheny Intl		NM	D-D	860	NM	2.3
Allied Products		NM	D-D	674	5.7	8.5
Allied-Signal		NM	18.0	286	13.3	0.3
Alcoa		NM	28.4		NA	18.0
AMAX		NM	130.3	860	NM	3.4
AMC Entertainment		NM	D-P	214	15.5	0.1
Amdura		NM	D-P	846	–6.6	111.4
American Building		NM	30.1	342	12.0	10.6
American Petrofina		NM	9.9	704	5.1	12.3
Amoco		NM	–19.8	860	NM	20.4
Ampco-Pittsburgh		NM	D-D	860	NM	–7.0
AMR		NM	42.7	384	11.0	23.1
Anacomp		NM	–65.8	72	25.4	36.0
Armco		NM	127.6	845	–6.5	–10.9
Arrow Electronics		NM	D-D	348	11.9[a]	2.2
Asarco		NM	–13.9	860	NM	25.3
Ashland Oil		NM	–52.9	860	NM	3.0
Atlantic Richfield		NM	31.7	860	NM	–9.0
Avon Products		NM	D-P	788	2.7	11.0
Balfour Maclaine		NM	D-P	772	3.0	23.1
Bally Manufacturing		NM	–17.0	155	18.2	6.7
Barnes Group		NM	–14.8	796	1.7	2.4
Bassett Furniture Ind		NM	7.9	631	6.7	0.5
Baxter International		NM	15.2	111	21.4	8.7

		Earnings per share			Sales	
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Bell Industries		NM	–50.8	378	11.1	–5.4
Best Buy Co		NM	–68.2	860	NM	1.3
Bethlehem Steel		NM	–26.5	829	–3.9	1.4
Beverly Enterprises		NM	D-D	38	34.0	3.8
Blount		NM	500.0+	415	10.4	–27.1
Boise Cascade		NM	10.6	736	4.4	6.7
Bowater		NM	6.9	572	7.6[a]	4.1
Cabot		NM	–75.8	728	4.5	15.5
Carlisle Cos		NM	–9.1	602	7.1	0.2
Carolina Power & Lt		NM	73.5	426	10.2	9.8
Centerior Energy		NM	P-D	685	5.5[b]	12.2
Central Hudson G&E		NM	–14.8	731	4.4[a]	5.3
Central Steel & Wire		NM	–27.0	801	1.5	–7.2
Champion Intl		NM	7.7	745	4.0	4.8
Charter		NM	–92.5	859	–16.1	7.9
Chevron		NM	–28.5	860	NM	6.6
Chrysler		NM	44.5	328	12.4	9.7
CityFed Financial		NM	D-D	64	26.7	–12.6
CMS Energy		NM	10.2	718	4.7	2.8
Coachmen Industries		NM	P-D	490	9.0	–15.0
Colgate-Palmolive		NM	47.5	808	0.9	–0.4
Columbia S&L Assn		NM	P-D	7	48.7[a]	13.5
Combustion Eng		NM	D-D	860	NM	6.5
Comcast		NM	D-D	29	37.1	28.0
Consolidated Rail		NM	0.2	812	–1.9	1.9
Contel		NM	92.7	309	12.8	14.0
Continental Corp		NM	P-D	554	7.9	4.7
Cooper Industries		NM	21.2	272	[illegible]	19.6
Copperweld		NM	6.9	851	–7.4	7.6
Cross & Trecker		NM	D-D	739	4.2	6.7
Crown Central Pet		NM	–62.8	860	NM	2.6
CBS		NM	87.8	46	30.9	9.0
CSX		NM	321.5	576	7.5	1.1
Culbro		NM	P-D	327	12.4	12.4
Cummins Engine		NM	D-D	627	6.8	10.3
Dana		NM	22.1	559	7.8	3.2
Danaher		NM	9.3	860	NM	7.0
Data General		NM	D-D	299	13.0	–3.7
Datapoint		NM	D-D	726	4.5	–5.5
Delta Air Lines		NM	38.8	402	10.7	17.0
Dennison Mfg		NM	5.3	669	5.8	8.3
DeSoto		NM	P-D	784	2.5	5.6
Detroit Edison		NM	P-D	603	7.1	5.2
Di Giorgio		NM	17.0	804	1.5	12.3
Diversified Energies		NM	–16.4	860	NM	15.8
Dollar General		NM	52.5	198	16.3	2.0
DPL		NM	35.8	647	6.3	–2.0
Dravo		NM	D-D	858	–11.9	6.3
Eagle-Picher Inds		NM	P-D	774	3.0	1.1
Eastern Enterprises		NM	21.7	860	NM	17.3
Eastman Kodak		NM	–32.1	634	6.6	12.7
Edison Bros Stores		NM	D-P	740	4.2[b]	9.0
Emerson Radio		NM	D-P	39	33.9	23.6
Engelhard		NM	53.5	752	3.6	3.7
Enron		NM	54.1	264	13.9	2.5
Enserch		NM	D-P	771	3.0	–3.1
Federal-Mogul		NM	–15.6	651	6.3	–6.4
Ferro		NM	5.4	716	4.8	9.5
Fin Cp Santa Barbara		NM	P-D	226	15.1	–6.1
First Bank System		NM	P-D	408	10.6	–12.8
First Interstate Bncp		NM	D-P	472	9.3	15.8
First Pennsylvania		NM	–29.8	833	–4.4	26.4
Fischbach		NM	D-D	758	3.4	–18.1
Fleetwood Enterprises		NM	26.5	391	10.9	7.9
Foodarama Supermkts		NM	–73.8	790	2.3	10.8
Ford Motor		NM	–4.5	584	8.2	7.1
Freeport-McMoRan		NM	–38.0		NA	10.7

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WHO'S WHERE IN GROWTH

		Earnings per share			Sales	
Company	rank	10-year average %	latest 12 months %	rank	10-year average %	latest 12 months %
Fremont General		NM	–44.9	571	7.6	14.3
General Host		NM	D-D	818	–2.4	12.5
General Instrument		NM	19.4	693	5.3	13.8
General Motors		NM	26.7	520	8.4[a]	5.9
Georgia-Pacific		NM	54.7	601	7.1	12.3
Gerber Products		NM	108.1	599	7.2	10.2
Gillette		NM	13.7	666	5.8	7.3
BF Goodrich		NM	6.7	811	–1.9	4.1
Goulds Pumps		NM	10.3	568	7.6	12.8
Great American Mgmt		NM	–92.7	16	39.9	33.9
Great A&P Tea		NM	21.4	760	3.3	10.3
Greyhound		NM	274.6	852	–7.4[a]	10.4
Grossman's		NM	33.3	817	–2.4	3.8
Grow Group		NM	D-P	524	8.4	5.9
MA Hanna		NM	–0.2	860	NM	8.3
Harcourt Brace		NM	P-D		NA	–21.2
Harken Energy		NM	–71.4	860	NM	80.9
Harnischfeger Inds		NM	44.4	670	5.8	17.8
Harsco		NM	P-D	761	3.3	2.9
Healthco Intl		NM	–36.8	639	6.4	–2.5
Home Depot		NM	34.2		NA	39.0
Homestead Financial		NM	D-D	31	36.6	–9.3
Honeywell		NM	P-D	672	5.7	–1.4
Horn & Hardart		NM	D-D	121	20.4	10.3
Ideal Basic Inds		NM	D-D	850	–7.2	4.7
IE Industries		NM	–10.2	682	5.6	1.0
Illinois Power		NM	P-D	659	6.2	–0.1
Imperial Corp of Am		NM	P-D	223	15.2	–5.3
Inco		NM	40.2	860	NM	39.9
Independent Insurance		NM	50.6	675	5.7	6.4
Ingersoll-Rand		NM	33.7	860	NM	14.2
Inland Steel Inds		NM	–26.1	860	NM	7.1
Inspiration Resource		NM	–16.4	468	9.4	–2.1
Intermark		NM	P-D	81	24.4	9.3
International Paper		NM	30.8	661	6.1	22.0
Iowa Resources		NM	23.7	756	3.5	6.1
ITT		NM	–16.8	813	–2.0	11.6
JWP		NM	29.1	17	39.6	87.1
Kansas City Southern		NM	P-D	546	8.0	–1.6
Kansas Gas & Elec		NM	–10.4	503	8.7	5.2
Kay Jewelers		NM	–44.9	193	16.6[b]	8.4
Kerr Glass Mfg		NM	D-D	835	–4.6	4.1
KN Energy		NM	P-D	860	NM	0.9
Lafarge		NM	5.8	481	9.1[a]	11.0
Lancaster Colony		NM	12.7	626	6.8	8.9
Lincoln Electric		NM	7.5	860	NM	32.2
Litton Industries		NM	11.4	799	1.6	3.3
Lomas Financial		NM	D-D	55	28.8	–47.1
Lone Star Tech		NM	D-D	857	–10.0[b]	8.4
Long Island Lighting		NM	P-D	515	8.5	6.1
Louisiana Land		NM	D-P	860	NM	–9.2
LTV		NM	D-P	643	6.4	–15.5
Lubrizol		NM	123.3	734	4.4	12.1
LVI Group		NM	D-D	323	12.5	–0.7
M/A-Com		NM	–98.5	233	14.9	4.0
Mack Trucks		NM	P-D	785	2.5	–5.7
Manufacturers Natl		NM	126.8	501	8.8	22.6
Mapco		NM	18.2	616	7.0	9.0
Mattel		NM	D-P	723	4.6	24.5
Maxxam		NM	167.5	860	NM	500.0+
MCA		NM	76.3	427	10.2	27.1
McDermott Intl		NM	D-D	826	–3.4	17.4
MCI Communications		NM	144.0	12	42.7	30.5
McKesson		NM	12.1	527	8.3	2.3
MDC Holdings		NM	D-D	5	54.7	1.0
Mead		NM	–33.0	695	5.3	2.1
Media General		NM	P-D	343	12.0	–15.4
Mellon Bank		NM	D-P	263	14.0	12.4
Mercantile Bancorp		NM	P-D	579	7.5	7.4
Michigan National		NM	95.4	567	7.7	44.9
Midway Airlines		NM	–22.6	33	36.0[b]	16.7
Mobil		NM	–12.9	860	NM	–4.9
Monarch Capital		NM	–35.7	265	13.9	19.7
Montana Power		NM	4.0	563	7.8	1.8
JP Morgan & Co		NM	P-D	513	8.5	38.4
Morrison Knudsen		NM	D-D	699	5.2	16.3
Motorola		NM	15.3	298	13.0	16.4
Murphy Oil		NM	D-P	860	NM	9.7
Nashua		NM	–28.5	732	4.4	–1.3
Natl Convenience		NM	P-D	285	13.3	12.2
National Intergroup		NM	D-P	819	–2.4[a]	8.1
Natl Semiconductor		NM	P-D	261	14.0	–33.2
Navistar Intl		NM	–34.8	853	–7.9	6.1
NCH		NM	18.9	663	5.9	13.5
New England Electric		NM	D-P	658	6.2	6.4
NY State E&G		NM	45.5	411	10.5	8.8
Newmont Mining		NM	75.0	842	–5.9	35.7
Niagara Mohawk Pwr		NM	–31.3	582	7.5	2.7
Norfolk Southern		NM	5.2	708	5.1	5.2
Northern Telecom		NM	–47.8	288	13.3	14.1
Northrop		NM	P-D	188	16.8	–3.2
Norton		NM	10.5	802	1.5	7.1
Norwest		NM	14.6	450	9.8	17.1
Ohio Casualty		NM	92.5	530	8.3	0.8
Orion Capital		NM	29.2	241	14.7	16.2
Orion Pictures		NM	42.1	284	13.4	10.8
Owens-Corning		NM	2.1	709	5.0	–0.3
Oxford Industries		NM	D-P	404	10.7	–3.6
Paccar		NM	16.6	684	5.5	14.7
Pacific Enterprises		NM	–19.1	355	11.6	13.8
Pacific G&E		NM	–61.1	577	7.5	14.2
PaineWebber Group		NM	–29.0	126	20.1	19.6
Pan Am		NM	D-D	782	2.6	–2.9
Panhandle Eastern		NM	D-D	860	NM	40.9
Penn Central		NM	123.5	860	NM	15.5
Perini		NM	–90.0	733	4.4	–7.4
Perry Drug Stores		NM	D-P	74	25.2	–1.8
Petrie Stores		NM	–22.1	274	13.6	5.6
Philadelphia Elec		NM	–9.4	541	8.0	4.9
Phillips Petroleum		NM	9.2	860	NM	7.1
PHM		NM	500.0+	112	21.1	13.2
Pittston		NM	D-P	823	–3.1	5.3
Polaroid		NM	107.1	786	2.5	3.3
Pope & Talbot		NM	41.3	380	11.0	27.8
Portland General		NM	14.3	462	9.4	4.8
Potlatch		NM	22.7	773	3.0	13.9
Premier Bancorp		NM	D-D	377	11.1[a]	4.6
Prime Computer		NM	P-D	79	24.6[a]	8.9
Procter & Gamble		NM	29.7	561	7.8	8.9
Public Service NM		NM	D-D	210	15.7	13.8
Puget Sound P&L		NM	–0.5	324	12.5	13.7
Quaker State		NM	18.8	755	3.5	–4.8
Questar		NM	203.8	671	5.8	–1.9
Ramada		NM	P-D	573	7.5	2.9
Republic New York		NM	P-D	161	17.9	27.2
Reynolds Metals		NM	24.7	738	4.3	15.4
Roadway Services		NM	47.9	555	7.8	23.7
HH Robertson		NM	D-D	860	NM	30.2
Rochester G&E		NM	10.8	596	7.2	6.9
Salomon		NM	58.9	854	–8.8	46.6
Santa Fe Pacific		NM	D-P	825	–3.2[a]	–19.1
Savannah Foods		NM	186.8	374	11.2	18.9
Savin		NM	D-D	860	NM	1.0
Seagate Technology		NM	500.0+		NA	7.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. a: Nine-year average. b: Eight-year average.

Company	rank	Earnings per share 10-year average %	Earnings per share latest 12 months %	Sales rank	Sales 10-year average %	Sales latest 12 months %
Seaway Food Town		NM	–52.0	747	3.9	14.3
Sequa		NM	31.0	412	10.5	11.2
Service Merchandise		NM	45.6	134	19.3	8.8
Skyline		NM	12.3	809	–1.4	13.2
AO Smith		NM	8.4	777	2.8	3.4
Smith International		NM	P-D	849	–7.0	–6.5
Sonat		NM	4.3	860	NM	23.2
Southeast Banking		NM	62.3	304	12.9	25.0
Std Commercial		NM	P-D	396	10.8	17.2
Standard Products		NM	–26.3	358	11.5	14.7
Standex International		NM	71.1	743	4.1	2.0
Stewart & Stevenson		NM	63.3	860	NM	42.8
Subaru of America		NM	D-D	227	15.1	4.4
Sundstrand		NM	D-P	624	6.8	9.9
Talley Industries		NM	500.0+	821	–2.9	21.9
Tektronix		NM	D-P	558	7.8	0.9
Teradyne		NM	D-P	196	16.4	15.4
Tesoro Petroleum		NM	D-D	839	–5.3	–32.2
Texaco		NM	D-P	860	NM	–5.7
Texas Air		NM	D-D	9	48.0	–19.2
Thorn Apple Valley		NM	–5.6	741	4.2	3.0
TIE/Communications		NM	D-D	59	28.0	–5.2
Todd Shipyards		NM	D-D	828	–3.9	–17.4
Tonka		NM	D-P	119	20.5	6.7
Toro		NM	0.0	615	7.0	1.5
Transamerica		NM	–0.5		NA	NA
Transco Energy		NM	D-D	498	8.8	–12.8
Trinity Industries		NM	110.3	720	4.7	58.3
Trustcorp		NM	P-D	91	23.3	5.8
Turner Broadcasting		NM	D-D	14	40.6[a]	27.8
Turner Corp		NM	–73.7	457	9.6	13.2
UAL		NM	–52.3	476	9.3	9.1
UNC		NM	27.4	629	6.8	6.4
Union Bank		NM	14.0	453	9.7	154.1
Union Carbide		NM	26.9	816	–2.2	9.6
Union Electric		NM	–12.0	494	8.9	–2.0
United Illuminating		NM	P-D	585	7.4	2.9
United Merchants		NM	D-D	800	1.6	–26.7
United Telecom		NM	304.6	362	11.4	134.0
Universal Health		NM	Z-P	47	30.7[a]	5.5
USF&G		NM	–79.2	444	9.9	0.0
Uslico		NM	NA		NA	NA
USX		NM	63.4	781	2.7	9.5
Varity		NM	Z-P	844	–6.3	1.7
Volt Info Sciences		NM	D-P	283	16.0	3.0
Wang Laboratories		NM	P-D	45	31.1	–11.5
Washington National		NM	D-D		NA	NA
Wells Fargo		NM	20.9	435	10.1	14.8
Western Digital		NM	–58.4	2	62.2[a]	10.8
Western Union		NM	D-D	792	2.2	–25.0
Westmoreland Coal		NM	D-P	714	5.0	3.6
Weyerhaeuser		NM	15.0	509	8.6[a]	10.1
Wheeling-Pittsburgh		NM	12.1	814	–2.0	7.7
Williams Cos		NM	–84.5	860	NM	–9.7
Winnebago Industries		NM	P-D	316	12.6	2.9
Zurn Industries		NM	28.6	779	2.8	32.6
Acme Steel		NA	25.6		NA	9.9
Adia Services		NA	17.2	52	29.1[a]	21.2
Advanced Micro		NA	P-D		NA	–6.4
ADVO-System		NA	D-P		NA	4.9
Affiliated Pubs		NA	D-P	326	12.4	–0.4
Albany International		NA	14.0		NA	10.5
Alexander & Alexander		NA	1.4		NA	4.0
Alleghany		NA	17.9		NA	3.0
Allegheny Ludlum		NA	35.3		NA	9.7
AM International		NA	D-P	860	NM	3.6
AmBase		NA	6.5	775	2.9[a]	23.8

Company	rank	Earnings per share 10-year average %	Earnings per share latest 12 months %	Sales rank	Sales 10-year average %	Sales latest 12 months %
America West Airlines		NA	D-P		NA	27.3
American Capital		NA	D-D		NA	6.9
American Express		NA	59.4	48	30.7[b]	16.2
American President		NA	–65.1	176	17.3	12.0
American Tel & Tel		NA	P-D		NA	5.0
AmeriFirst Bank		NA	P-D		NA	6.8
Ameritech		NA	–1.0		NA	2.7
Ametek		NA	–13.8		NA	10.4
Anchor Savings Bank		NA	D-D		NA	14.5
Argonaut Group		NA	–50.8		NA	–10.2
Aristech Chemical		NA	–27.7		NA	–1.6
AST Research		NA	P-D		NA	4.6
Atari		NA	P-D		NA	–29.7
Atlantic Financial		NA	P-D		NA	–3.4
Avondale Industries		NA	411.1		NA	26.3
Baker Hughes		NA	42.2		NA	0.5
Baroid		NA	D-P		NA	–3.9
Bear Stearns Cos		NA	34.0		NA	29.6
Beckman Instruments		NA	–2.6		NA	3.4
Bell Atlantic		NA	6.1		NA	4.6
BellSouth		NA	0.6		NA	6.6
Benj Franklin S&L		NA	–27.7		NA	9.0
Boatmen's Bancshares		NA	–20.3		NA	5.9
Boston Edison		NA	12.0	657	6.2	1.5
Bristol-Myers Squibb		NA	15.2		NA	7.2
Broad		NA	D-P		NA	24.3
Burlington Northern		NA	254.2		NA	61.3
Burlington Resources		NA	NA		NA	–23.5
Businessland		NA	12.9		NA	28.0
Cablevision Systems		NA	D-D		NA	8.4
Carnival Cruise Lines		NA	14.4		NA	76.6
Carter Hawley Hale		NA	71.4		NA	6.3
Casey's General Store		NA	–42.4		NA	24.9
Castle & Cooke		NA	–29.7		NA	13.0
CBI Industries		NA	–13.3		NA	9.5
Central Newspapers		NA	8.8		NA	3.8
CenTrust Savings Bk		NA	P-D	75	25.2[b]	13.0
Child World		NA	2.5	110	21.5[b]	7.8
Cigna		NA	10.8		NA	5.8
Coast Savings Finl		NA	P-D	146	18.5[b]	12.9
Coca-Cola Enterprises		NA	8.2		NA	2.9
Commercial Federal		NA	233.3		NA	8.8
Commtron		NA	110.8		NA	15.8
Communications Trans		NA	D-D		NA	108.6
Compaq Computer		NA	53.5		NA	50.6
Computer Associates		NA	8.4		NA	48.7
Conseco		NA	83.0		NA	2.9
Costco Wholesale		NA	110.9		NA	47.8
Crane		NA	–6.3		NA	31.0
CrossLand Savings FSB		NA	P-D	149	18.4[b]	13.1
Crystal Brands		NA	142.5	836	–4.9[b]	102.6
Cyclops Industries		NA	D-P		NA	18.5
Cyprus Minerals		NA	136.0	383	11.0[b]	54.4
Delta Woodside Inds		NA	–2.5		NA	12.7
Diamond Shamrock		NA	164.0		NA	8.8
Dime Savings Bk FSB		NA	–67.0	432	10.1[b]	14.1
Drug Emporium		NA	16.9		NA	20.8
Empire of America		NA	D-D		NA	11.5
Ethyl		NA	14.3		NA	19.5
Federal Natl Mortgage		NA	25.5	336	12.2	6.0
FHP International		NA	31.5		NA	37.9
Finevest Foods		NA	P-D		NA	10.5
Fireman's Fund		NA	–27.1	681	5.6[b]	–16.1
First Capital Holding		NA	22.7		NA	34.6
First Executive		NA	NA		NA	NA
First Fidelity Bncp		NA	P-D		NA	9.1
FirstFed Michigan		NA	–72.4	128	20.0[a]	3.5

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. Z-P: Zero to profit. NA: Not available. NM: Not meaningful. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN GROWTH

Company	rank	Earnings per share 10-year average %	Earnings per share latest 12 months %	Sales rank	Sales 10-year average %	Sales latest 12 months %
Fleet/Norstar Finl		NA	44.1		NA	20.0
Florida Federal		NA	D-D	258	14.3[a]	–1.5
Fruit of the Loom		NA	80.2		NA	25.6
Gaylord Container		NA	–19.0		NA	11.1
General Mills		NA	16.6		NA	11.7
GM Hughes Electronics		NA	1.1		NA	4.9
Genlyte Group		NA	–7.1		NA	5.2
Georgia Gulf		NA	28.6		NA	17.0
Gibson Greetings		NA	19.0	303	13.0	13.6
Gitano Group		NA	1.0		NA	19.3
GlenFed		NA	–28.3	93	23.1[a]	8.2
Goldome		NA	D-D		NA	–6.4
Great American Bank		NA	P-D	84	24.2[a]	11.0
Harley-Davidson		NA	9.5		NA	8.0
Harman International		NA	22.3		NA	10.0
Henley Group		NA	NA		NA	NA
Hills Dept Stores		NA	P-D		NA	20.2
Himont		NA	–26.9		NA	7.3
Home Shopping		NA	P-D		NA	6.1
Hudson Foods		NA	466.7		NA	13.0
IBP		NA	–21.0		NA	7.0
ICH		NA	NA		NA	NA
IMC Fertilizer Group		NA	35.8		NA	12.5
Imo Industries		NA	12.9		NA	29.2
Imperial Holly		NA	500.0+		NA	41.5
Ingles Markets		NA	12.7		NA	14.6
InterTAN		NA	71.8		NA	11.6
Itel		NA	–67.6		NA	32.3
K-H Corp		NA	D-D		NA	–23.5
Kaufman & Broad		NA	26.7		NA	4.2
Kentucky Central Life		NA	NA		NA	NA
Lands' End		NA	10.9		NA	32.5
Leslie Fay Cos		NA	18.5	186	16.9[b]	20.7
Lotus Development		NA	–28.5		NA	9.9
Louisiana-Pacific		NA	27.0		NA	10.4
LPL Technologies		NA	408.6		NA	8.3
Lyondell Petrochem		NA	NA		NA	10.5
Magma Copper		NA	D-P		NA	25.0
MagneTek		NA	10.9		NA	6.2
MAI Basic Four		NA	P-D		NA	–62.9
Manor Care		NA	D-P	37	34.9	16.9
Manville		NA	–31.3	860	NM	4.0
Masco Industries		NA	25.9	148	18.4[a]	3.6
Maxus Energy		NA	D-D		NA	–4.6
Maytag		NA	–11.7		NA	49.2
MCN		NA	1.8		NA	6.3
Medco Containment		NA	–34.4		NA	47.1
Meritor Savings Bank		NA	D-D	204	16.0[a]	–14.4
Fred Meyer		NA	–4.2		NA	10.6
MGM/UA Commun		NA	D-D		NA	29.9
Microamerica		NA	7.5		NA	28.5
Micron Technology		NA	–15.7	860	NM	48.6
Microsoft		NA	30.5		NA	29.8
MLX		NA	NA		NA	10.4
MMR Holding		NA	P-D		NA	–0.4
Morgan Products Ltd		NA	–96.3		NA	1.6
Morgan Stanley		NA	25.3		NA	47.3
Morton International		NA	–25.7		NA	11.7
Neiman Marcus Group		NA	D-P		NA	22.1
NL Industries		NA	60.5		NA	1.5
Northeast Savings FA		NA	D-D		NA	4.1
NWNL		NA	NA		NA	NA
Nynex		NA	–6.6		NA	4.5
Omnicom Group		NA	13.5		NA	9.2
Oracle Systems		NA	85.7		NA	101.7
Oryx Energy		NA	NA		NA	18.7
PACE Membership		NA	72.1		NA	31.3
Pacific Telesis		NA	9.7		NA	0.5
PacifiCare Health		NA	83.0	1	76.2[b]	45.9
PacifiCorp		NA	–2.0		NA	6.3
Pathe Communications		NA	D-D		NA	6.8
Penn Traffic		NA	P-D		NA	216.0
Pennzoil		NA	D-P		NA	21.4
People's Bank		NA	NA		NA	22.0
Petroleum Heat & Pwr		NA	P-D	96	22.9[a]	6.7
Pilgrim's Pride		NA	D-P		NA	30.5
Premark Intl		NA	–22.3		NA	7.5
Primerica		NA	56.1		NA	358.4
Reebok International		NA	–10.4		NA	–1.1
Reliance Group		NA	P-D		NA	26.3
Rexene		NA	NA		NA	–4.1
Richfood Holding		NA	NA	525	8.4	0.2
Ross Stores		NA	67.1		NA	16.4
Charles Schwab		NA	NA		NA	22.1
EW Scripps		NA	171.1		NA	5.1
Shawmut National		NA	17.0		NA	10.4
Shearson Lehman		NA	D-P		NA	33.1
Smith's Food & Drug		NA	NA		NA	NA
Softsel Computer Prod		NA	28.3		NA	37.8
Southwestern Bell		NA	10.2		NA	2.1
Spiegel		NA	52.9		NA	31.7
Sprague Technologies		NA	P-D		NA	–1.3
SSMC		NA	P-D		NA	–12.4
Standard Fedl Bank		NA	–15.9		NA	13.0
Standard Shares		NA	–14.4		NA	11.1
Sterling Chemicals		NA	–25.1		NA	–2.9
Sudbury		NA	P-D		NA	–5.5
Sun Co		NA	500.0+		NA	7.6
Sun Microsystems		NA	–41.5		NA	53.4
SunTrust Banks		NA	10.3		NA	15.6
Talman Home Federal		NA	–14.3		NA	5.2
TCF Financial		NA	D-P		NA	–4.1
Telecom-USA		NA	30.5		NA	35.1
Teledyne		NA	–32.4	767	3.1	6.4
Temple-Inland		NA	14.6	508	8.6[a]	3.1
Texas Instruments		NA	–7,2	581	7.5	3.5
TGI Friday's		NA	38.2	97	22.8	–3.0
Thiokol		NA	–53.9		NA	2.7
Time Warner		NA	–90.8	254	14.4	29.7
TJX Cos		NA	22.6		NA	18.2
Travelers		NA	NA		NA	NA
Tredegar Industries		NA	NA		NA	4.1
TW Services		NA	–53.4		NA	6.6
UJB Financial		NA	5.9		NA	22.8
Union Texas Petrol		NA	110.0		NA	–18.6
United HealthCare		NA	D-P		NA	–18.1
US Healthcare		NA	133.3	3	61.4	29.8
Univar		NA	35.5		NA	11.3
UNUM		NA	52.7		NA	13.1
US West		NA	–6.3		NA	5.1
Valhi		NA	300.0		NA	6.1
Viacom		NA	NA		NA	20.3
Vista Chemical		NA	20.6		NA	–0.3
Vons Cos		NA	D-D		NA	45.5
VWR		NA	1.9		NA	–0.8
Waban		NA	NA		NA	31.0
Washington Mutual		NA	–15.9		NA	13.4
Weirton Steel		NA	NA		NA	NA
Western Publishing		NA	–18.0		NA	–4.0
Wheelabrator Tech		NA	NA		NA	NA
Whitman		NA	–7.7		NA	17.4
Wholesale Club		NA	D-P		NA	45.4
Wyse Technology		NA	P-D		NA	–27.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN THE STOCK MARKET

Despite a serious recession, insider trading scandals and the great crash of 1987, the stock market was a great place to invest during the 1980s.

By Eric Hardy

STOCK PRICES EXPLODED WORLDWIDE during the past decade, often led by the U.S. Ten years ago the Dow Jones industrial average was trading in the 820 region; today it's more than three times that. It was a good time for the big blue chips: By a slight margin, the 30 blue-chip stocks in the Dow beat the average performance of the 880 stocks ranked in this survey. The Forbes 880, so to speak, showed stock market gains averaging 11.7% a year, versus 12.1% for the Dow stocks.

The bull market was driven largely by earnings. During the past ten years, profits of companies in the S&P 500 increased by 59%. In addition, investors were willing to pay a higher multiple: Mario Gabelli, who manages $7 billion in equity funds, says that today price-to-cash-flow multiples average 5.5, up from 3.5 in 1980.

The stock prices of 62 of the companies listed in the tables that start on page 218 gained at least 1,000% during the past ten years. Most market players would be delighted to have owned just one, but billionaire investor Warren Buffett is a long-term shareholder in four. Through his holding company, Berkshire Hathaway (14th in terms of ten-year performance), Buffett has purchased substantial equity stakes in Washington Post (ranked 47th), Geico (56) and Capital Cities/ABC (62). If Buffett has not lost his touch, look for Coca-Cola and Gillette—two recent favorites—to be near the top of our list in the year 2000.

To be ranked among the 100 top-performing stocks over the past decade, a company's share price had to rise by a minimum of 759%. Most of these leaders are smaller growth companies like Safety-Kleen, Mark IV Industries, C.R. Bard and Olsten. But some very large companies can also be found here, such as Wal-Mart, Philip Morris, Heinz and Loews.

STOCK SCOREBOARD

Industry	10-year price change
Retailing	976%
Consumer nondurables	850
Food, drink & tobacco	670
Entertainment & information	603
Health	519
Business services & supplies	506
Insurance	389
Consumer durables	350
Computers & communications	325
Forest products & packaging	293
Financial services	285
Chemicals	281
Travel	260
Transport	190
Aerospace & defense	184
Materials	176
Construction	147
Capital goods	127
Electric utilities	123
Energy	110
Dow industrials	214

Circuit City Stores has the best ten-year stock gain, 9,287%. This translates into a compounded annual return of nearly 58%. A $10,000 investment in Circuit City in 1980 would be worth $938,700 today, while the same amount of money invested in a 5¼% passbook account in 1980 grew to only $16,850.

Circuit City, a chain of retail consumer electronics stores, has remarkable savvy in picking the right places to situate its outlets, and is not afraid to admit mistakes. Four years ago, in what proved to be an astute management decision, Circuit City aborted its expansion into the highly competitive New York City area to concentrate on more profitable markets.

Hasbro, ranked second, grew strongly during the decade, both through acquisition (it purchased Milton Bradley, a major competitor, back in 1984) and by riding the boom in the toy market. The Pawtucket, R.I.-based firm saw its stock price jump more than 6,600%. Ranked third, clothing retailer Limited managed dramatic sales and profit gains, and its stock price increased almost 6,400% in ten years.

Of course, even a great bull market—combined with the longest economic expansion in peacetime history—can't guarantee equity investors a profit. Manville shows one of the worst price declines during the period. The stock traded at over $250 a share (adjusted for a reverse split) back in 1980, but asbestos litigation caused the firm to seek bankruptcy protection two years later. Manville stock was recently trading at around $10 a share. The greatest decline in percentage terms was experienced by another Chapter 11 story, Allegheny International, which fell 99% during the Eighties. The thrift industry continues to have its share of stock market losers: Imperial Corp. of America, CityFed Financial and Financial Corp. of Santa Barbara, to name a few.

HOW DID WE DO?

Each year our writers are assigned a special theme and asked to single out a company in each industry that best measures up. In 1988 Forbes editors identified the most innovative firm in each industry. Last year the challenge was to come up with the company that was best situated for a turnaround.

This year we chose companies best prepared for the 1990s. Overall, we didn't fare badly last year. Our best pick was Turner Broadcasting, up 248%. Another turnaround candidate was Airborne Freight, whose shares more than doubled in value. Emhart and Seagate Technology, meanwhile, showed better than 90% gains. We had one awful turnaround pick last year, Dallas-based Lomas Financial Corp., which went into Chapter 11 and saw its share price drop 94%.

Excluding this one turkey, a portfolio of our turnaround stocks from last year's survey is up almost 35%, compared with a 29% rise for the Dow Jones industrial average. Including the Lomas debacle, our group was up by almost 31%, still a shade better than the Dow.—**Warren Midgett**

In reviewing the stock market tables, be aware of the footnotes. Stocks with price histories of only nine or eight years are marked with an "a" or "b," respectively. Companies that don't have at least eight consecutive years of trading history are not ranked. There are other reasons for not showing a performance ranking. For example, AT&T has been a public company since 1880, but with the 1984 government-ordered breakup of the Bell System, equity in seven smaller companies was distributed to AT&T shareholders. Since we don't compare the old Ma Bell with the new, AT&T is not graded on stock market performance. Other companies, too, may not be shown if they underwent a significant merger or reorganization. Companies that paid out a special cash dividend may be ranked, but the value of the cash distribution is excluded from their stock performance. Such firms are marked with a "c."

THE BEST COMPANIES OF THE 1980s

Company	10-year price change	Recent price
Circuit City Stores	9287.0%	24½
Hasbro	6606.1	22⅛
Limited	6357.6	35
Mark IV Industries	6257.1	12⅝
Marion Laboratories	3973.5	34⅜
Wal-Mart Stores	3767.4	42
Gap	3719.2	51¾
Dillard Department Stores	3705.8	69
Shaw Industries	3554.1	30
Tyson Foods	3317.0	24½
Home Depot	3147.9	35⅝
MCI Communications	2788.4	44¼
Hannaford Brothers	2722.0	37¼
Berkshire Hathaway	2495.3	8305
Savannah Foods	2447.8	44
CDI	2391.7	15
State Street Boston	2364.8	38⅛
Price Co	2273.5	45½
Cooper Tire & Rubber	2248.8	34⅞
Toys "R" Us	2176.4	38⅛
Liz Claiborne	1889.3	24¼
Newell Co	1876.6	21
Helene Curtis Industries	1871.4	34½
Progressive	1854.2	42¼
Giant Food	1834.5	28⅜

THE WORST COMPANIES OF THE 1980s

Company	10-year price change	Recent price
Allegheny International	–98.5%	⅜
Savin	–98.0	¼
Western Union	–97.7	½
Manville	–94.9	9⅞
Storage Technology	–92.7	12⅜
Financial Corp of Santa Barbara	–92.5	1
Ideal Basic Industries	–91.4	2
Navistar International	–89.8	4
Charter	–86.4	4¾
Lomas Financial	–84.5	¾
CityFed Financial	–83.2	½
LTV	–81.3	1½
Imperial Corp of America	–81.1	2⅛
US Home	–79.8	1⅛
Varity	–79.2	2⅜
Tosco	–78.1	24⅜
Arrow Electronics	–77.6	4⅝
Todd Shipyards	–77.3	5½
Public Service NH	–74.0	4
UNC	–73.9	5⅞
LB Foster	–73.7	3¾
Cross & Trecker	–72.8	6
Amdura	–70.2	6¼
AM International	–67.9	5⅜
National-Standard	–62.6	7¼

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/earnings ratio	Price/sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
171	Abbott Laboratories	535.9	69	8	65⅜	3.70	17.7	2.81	15.9	1.40	2.1	10.96	14,700
NR	Acme Steel	NA	27	7	19¾	3.43	5.8	0.24	4.2	none	0.0	24.62	105
NR	Adia Services	NA	32	6	24¼	1.70	14.3	0.52	3.7	0.14	0.6	11.82	299
758	Advanced Micro	24.1	44	4	7½	–0.13	def	0.56	0.0	none	0.0	7.43	600
NR	ADVO-System	NA	13	3	8⅜	0.34	25.4	0.17	0.9	none	0.0	3.06	107
670	Aetna Life & Cas	79.3	68	27	59⅝	6.26	9.5	0.36	3.8	2.76	4.6	58.11	6,692
NR	Affiliated Pubs	NA	14	11	12¼	1.54	8.0	1.61	20.3	0.22	1.8	2.46	847
492	HF Ahmanson	175.2	29	2	19⅜	1.97	9.8	0.46	4.7	0.88	4.5	19.11	1,913
650	Air Express Intl	89.1	25	4	15⅛	1.46	10.4	0.14	1.4	none	0.0	7.06	72
547	Air Prods & Chems	142.2	54	11	44½	4.04	11.0	0.92	8.4	1.32	3.0	23.19	2,441
734	Airborne Freight	42.0	40	7	37⅝	1.96	19.2	0.29	1.6	0.60	1.6	18.44	260
271	Alaska Air Group	382.5	31	3	21⅞	2.93	7.5	0.38	5.2	0.20	0.9	19.59	342
NR	Albany International	NA	24	9	19⅜	1.63	11.9	0.98	8.3	0.35	1.8	7.10	487
29	Alberto-Culver	1660.4	53	2	44¾	2.25	19.9	0.81	4.1	0.36	0.8	10.32	584
57	Albertson's	1101.2	60	4	57¼	2.81	20.4	0.52	2.6	0.80	1.4	11.96	3,832
614	Alcan Aluminium	108.8	25	7	21¾	4.04	5.4	0.55	10.5	1.12	5.1	18.06	4,949
318	Alco Standard	314.0	37	6	33⅜	3.99	8.4	0.32	4.2	0.76	2.3	14.01	1,347
800	Alexander & Alexander	0.4	42	15	32⅞	1.48	22.2	1.07	4.8	1.00	3.0	9.20	1,328
120	Alexander & Baldwin	684.8	40	3	34½	4.54	7.6	2.13	26.2	0.80	2.3	11.96	1,728
102	Alexander's	751.0	77	5	54¼	4.20	12.9	0.58	4.5	none	0.0	21.67	270
NR	Alleghany	NA	108	59	95	8.29	11.5	0.60	5.2	none	0.0	84.67	611
888	Allegheny Intl	–98.5	55	†	⅜	–5.60	def	0.00	def	none	0.0	–12.17	4
NR	Allegheny Ludlum	NA	42	15	37½	5.71	6.6	0.67	10.2	1.20	3.2	9.99	847
503	Allegheny Power	164.5	54	12	41	3.83	10.7	0.97	9.1	3.08	7.5	29.25	2,137
806	Allen Group	–1.9	27	5	9¾	1.86	5.2	0.23	5.4	none	0.0	11.23	80
845	Allied Products	–41.5	46	5	7½	–0.01	def	0.06	0.5	none	0.0	24.05	38
787	Allied-Signal	8.4	49	19	35½	3.47	10.2	0.44	4.3	1.80	5.1	22.09	5,253
267	Alltel	388.8[b]	42	6	36⅜	2.01	18.1	1.96	11.3	1.28	3.5	12.25	2,309
528	Alcoa	151.0	80	21	68⅞	11.26	6.1	0.56	9.2	1.60	2.3	51.76	6,081
865	AM International	–67.9	25	†	5⅜	0.47	11.4	0.32	3.6	none	0.0	4.07	272
848	AMAX	–45.8	69	10	24¾	6.91	3.6	0.52	14.8	0.80	3.2	20.16	2,088
NR	AmBase	NA	32	10	13¼	2.61	5.1	0.13	2.5	0.20	1.5	29.71	453
NR	AMC Entertainment	NA	16	3	8⅜	0.80	10.8	0.30	3.2	none	0.0	3.74	137
684	Amdahl	74.7	28	3	11⅛	1.60	7.0	0.59	8.7	0.10	0.9	9.51	1,196
866	Amdura	–70.2	27	4	6⅛	0.70	8.9	0.07	1.3	none	0.0	8.76	38
659	Amerada Hess	84.1	55	15	44⅞	5.79	7.8	0.69	8.9	0.60	1.3	27.02	3,679
NR	America West Airlines	NA	14	3	10¼	0.75	13.7	0.17	1.6	none	0.0	3.46	159
720	American Bankers	49.9	17	5	11¾	1.12	10.5	0.27	2.5	0.50	4.3	11.28	169
328	American Brands	306.6	82	14	69	6.10	11.3	0.88	8.1	2.72	3.9	26.43	6,445
401	American Building	237.5	40	8	32⅝	2.16	15.1	0.20	1.3	0.94	2.9	16.18	125
NR	American Capital	NA	10	1	1⅛	–1.48	def	0.03	def	none	0.0	4.08	22
440	American Cyanamid	205.2	60	10	51⅞	3.65	14.2	0.97	6.8	1.35	2.6	23.02	4,648
687	American Electric	73.4	32	15	31	3.16	9.8	1.20	12.3	2.40	7.7	21.84	6,000
289	American Express	348.5	41	6	33½	2.63	12.7	0.56	4.5	0.84	2.5	11.39	13,962
82	American Family	828.6	23	1	19⅛	1.01	18.9	0.64	3.4	0.32	1.7	7.93	1,551
472	American General	185.7	47	8	34⅞	3.86	9.0	1.02	11.5	1.50	4.3	34.68	4,318
217	American Greetings	453.7	42	4	32⅞	1.52	21.6	0.83	3.9	0.66	2.0	17.85	1,041
356	American Home Prods	284.4	109	21	104¾	6.84	15.3	2.67	17.5	3.90	3.7	20.32	15,306
156	American Intl Group	566.5	109	13	105¾	8.17	12.9	1.25	9.8	0.48	0.5	41.92	17,285
703	American Maize	60.5	27	8	20¼	0.67	30.2	0.22	0.7	0.52	2.6	22.97	133
603	American Natl Ins	115.9	51	10	34	3.53	9.6	0.94	9.8	1.60	4.7	53.87	961
667	American Petrofina	80.6	90	30	68⅜	9.46	7.3	0.36	4.7	3.20	4.7	62.88	1,058
NR	American President	NA	51	11	27¾	1.19	23.3	0.24	1.6	0.60	2.2	30.02	550
166	American Stores	545.1	86	6	57¼	2.36	24.3	0.09	0.4	1.00	1.7	32.46	1,973
NR	American Tel & Tel	NA	46	14	43⅜	–1.26	def	1.29	def	1.20	2.8	10.68	46,576
220	American Water Works	451.4	26	2	17⅝	1.71	10.4	1.03	10.0	0.74	4.2	18.38	541
NR	AmeriFirst Bank	NA	20	3	4	–7.16	def	0.10	def	none	0.0	17.79	44
NR	Ameritech	NA	65	20	59¾	4.52	13.2	1.59	12.0	2.92	4.9	29.14	16,085
384	Ameritrust	250.8	29	5	28½	3.06	9.3	0.90	9.7	1.28	4.5	19.35	1,058
99	Ames Dept Stores	763.1	35	1	14⅝	0.11	133.0	0.12	0.3	0.10	0.7	13.21	549
593	Ametek	120.8	20	4	13½	0.81	16.4	1.04	6.4	0.64	4.8	4.11	583
548	Amoco	142.2	51	16	47¾	3.22	14.8	0.97	6.6	1.90	4.0	25.81	24,690
430	AMP	212.1	72	11	41⅞	2.77	15.1	1.60	10.6	1.20	2.9	14.16	4,500

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1989. †Less than $1. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. Range is for period since such change. a: Nine-year price change. b: Eight-year price change. c: Does not reflect special cash dividend paid. NA: Not available. NM: Not meaningful. NE: Negative equity. def: Deficit.

Sources: Forbes; William O'Neill & Co.

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
838	Ampco-Pittsburgh	–29.6	27	11	13	–0.27	def	0.54	def	0.30	2.3	12.58	125
146	AMR	596.3	107	6	70½	8.52	8.3	0.40	5.2	none	0.0	53.50	4,148
469	AmSouth Bancorp	186.1	39	7	25¾	3.39	7.6	0.71	9.3	1.32	5.1	22.01	624
859	Anacomp	–57.0	23	1	4¾	0.27	17.6	0.30	2.2	none	0.0	2.83	170
515	Analog Devices	155.3	25	2	8⅝	0.81	10.7	0.87	8.4	none	0.0	7.12	400
NR	Anchor Savings Bank	NA	13	2	2⅜	–2.40	def	0.05	def	none	0.0	16.06	42
74	Anheuser-Busch Cos	906.7	46	3	37¾	2.67	14.1	1.14	8.2	0.88	2.3	10.95	10,699
331	Aon	302.6	39	8	38½	3.26	11.8	1.05	9.2	1.40	3.6	19.95	2,441
209	Apogee Enterprises	472.9	19	2	16½	1.04	15.9	0.43	2.7	0.20	1.2	6.25	221
508	Apple Computer	159.3[a]	60	5	44¼	3.53	12.5	1.03	8.6	0.44	1.0	8.17	5,432
380	Archer Daniels	256.1	22	3	21	1.60	13.1	0.73	5.8	0.10	0.5	11.12	5,729
27	Arden Group	1737.0	74	2	62	6.99	8.9	0.27	3.3	none	0.0	19.48	94
NR	Argonaut Group	NA	70	19	68½	8.08	8.5	1.35	15.4	1.00	1.5	42.95	709
NR	Aristech Chemical	NA	28	11	21⅞	2.90	7.6	0.75	9.9	1.00	4.6	11.59	775
653	Arkla	87.1	30	10	23½	–1.23	def	0.96	def	1.08	4.6	9.45	1,984
862	Armco	–59.5	42	4	10⅛	1.98	5.1	0.31	6.4	0.40	3.9	9.66	889
259	Armstrong World Inds	406.1	51	6	41¼	3.49	12.0	0.67	5.8	1.06	2.5	21.87	1,931
872	Arrow Electronics	–77.6[a]	34	3	4⅜	–0.32	def	0.06	0.2	none	0.0	9.40	53
543	Arvin Industries	143.8	40	4	14⅝	0.38	38.5	0.19	0.9	0.68	4.6	21.90	273
817	Asarco	–11.4	59	10	33⅛	5.82	5.7	0.61	10.8	1.60	4.8	31.67	1,392
685	Ashland Oil	73.9	43	10	34⅞	1.55	22.5	0.26	1.1	1.00	2.9	19.06	2,051
NR	AST Research	NA	33	6	9¾	–0.43	def	0.24	def	none	0.0	9.36	113
NR	Atari	NA	16	4	9⅝	–1.70	def	1.37	def	none	0.0	1.44	556
NR	Guy F Atkinson	NA	20	12	15⅜	–4.29	def	0.16	def	0.48	3.1	20.99	135
360	Atlanta Gas Light	282.6	29	6	27½	1.90	14.5	0.62	4.5	1.96	7.1	19.08	584
588	Atlantic Energy	123.4	47	14	38¼	3.70	10.3	1.21	11.2	2.88	7.5	27.16	842
NR	Atlantic Financial	NA	19	†	1⅛	–20.63	def	0.01	def	none	0.0	25.89	5
530	Atlantic Richfield	148.8	109	32	99½	11.09	9.0	1.08	12.2	4.50	4.5	35.47	17,111
229	Automatic Data	435.8	55	8	46⅞	2.59	18.1	2.02	11.3	0.60	1.3	13.05	3,411
158	Avery International	564.0	31	3	29⅞	1.92	15.6	0.78	5.0	0.56	1.9	11.56	1,317
537	Avnet	145.6	50	9	28¾	1.63	17.6	0.55	3.1	0.60	2.1	20.60	1,026
809	Avon Products	–5.4	42	17	37¼	1.37	27.2	0.61	4.2	1.00	2.7	4.11	2,007
NR	Avondale Industries	NA	22	13	15⅝	0.46	34.0	0.33	0.9	0.92	5.9	21.83	225
706	AVX Corp	58.9	33	7	29⅛	1.02	28.6	0.95	3.4	0.24	0.8	15.85	382
NR	Baker Hughes	NA	27	11	24¼	0.64	37.9	1.23	3.6	0.46	1.9	7.86	2,872
836	Balfour Maclaine	–24.9	14	4	5⅞	0.33	17.8	0.03	0.1	0.16	2.7	5.26	34
237	Ball Corp	426.9	49	4	30⅝	1.00	30.6	0.63	2.1	1.12	3.7	17.92	720
857	Bally Manufacturing	–54.5	37	10	16⅜	0.88	18.6	0.22	1.6	0.30	1.8	18.89	439
461	Baltimore G&E	193.8	40	9	32½	3.07	10.6	1.32	14.2	2.10	6.5	23.77	2,577
161	Banc One	559.8	37	3	33⅜	2.64	12.6	1.40	11.2	1.04	3.1	15.53	4,314
248	Bancorp Hawaii	420.5	63	9	57¼	5.14	11.1	1.16	10.5	1.56	2.7	27.67	828
107	Bandag	741.1	89	7	76¾	5.07	15.1	2.17	14.3	1.00	1.3	10.80	1,123
411	Bank of Boston	228.7	38	5	21	1.92	10.9	0.23	2.3	1.24	5.9	27.02	1,459
521	Bank of New England	154.1	40	5	14⅞	2.79	5.3	0.28	5.4	1.36	9.1	23.28	1,030
372	Bank of New York	269.7	55	8	43¾	–0.09	def	0.55	def	2.12	4.8	37.06	2,770
789	BankAmerica	7.7	36	5	29¾	4.25	7.0	0.48	7.6	0.60	2.0	18.40	5,520
281	Bankers Trust NY	366.3	58	8	46⅝	–10.98	def	0.54	def	2.08	4.5	43.14	3,782
111	Banta	732.7	27	2	23¼	2.62	8.9	0.52	5.9	0.52	2.2	13.24	292
81	CR Bard	832.0	27	1	20	1.32	15.2	1.44	9.4	0.40	2.0	5.83	1,127
678	Barnes Group	77.8	41	11	32	2.70	11.9	0.35	3.4	1.40	4.4	21.84	177
195	Barnett Banks	498.5	42	4	34⅛	4.02	8.5	0.70	8.5	1.20	3.5	24.32	2,048
NR	Baroid	NA	11	4	8¾	0.20	43.8	1.08	2.4	0.20	2.3	5.36	531
534	Bassett Furniture Ind	146.6	55	11	36	2.32	15.5	0.64	4.1	1.00	2.8	32.18	299
413	Bausch & Lomb	227.9	64	15	62½	3.62	17.3	1.58	9.2	1.16	1.9	21.11	1,863
636	Baxter International	95.8	31	8	23¼	1.44	16.1	0.79	5.9	0.56	2.4	13.10	5,708
284	BayBanks	358.3	52	6	36⅜	4.99	7.3	0.54	7.4	1.80	4.9	35.43	580
NR	Bear Stearns Cos	NA	23	7	13⅛	1.81	7.2	0.48	7.1	0.56	4.3	10.82	1,184
617	Bearings	106.3	33	9	27½	2.54	10.8	0.32	2.9	0.64	2.3	18.26	203
NR	Beckman Instruments	NA	23	17	17½	1.50	11.7	0.64	5.4	0.28	1.6	8.14	499
399	Becton Dickinson	239.0	69	11	57⅝	5.40	10.7	1.25	11.8	1.00	1.7	24.33	2,273
NR	Bell Atlantic	NA	105	32	103⅞	6.96	14.9	1.81	12.1	4.40	4.2	46.58	20,466
707	Bell Industries	57.5	33	6	15¾	0.93	16.9	0.22	1.3	0.28	1.8	19.29	92
NR	BellSouth	NA	55	18	51¾	3.48	14.9	1.72	11.8	2.52	4.9	25.51	24,014

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
79	Bemis	867.1	38	2	33¼	1.71	19.4	0.77	4.2	0.60	1.8	9.48	833
652	Beneficial Corp	87.3	78	14	49⅞	4.49	11.1	0.70	7.0	2.20	4.4	32.60	1,117
NR	Benj Franklin S&L	NA	11	2	3⅛	1.36	2.3	0.04	1.9	none	0.0	23.48	24
112	Bergen Brunswig	722.0	27	2	24⅜	1.85	13.2	0.21	1.2	0.32	1.3	9.58	809
163	WR Berkley	548.0	45	5	44½	4.65	9.6	0.99	10.2	0.40	0.9	25.06	537
14	Berkshire Hathaway	2495.3	8900	245	8305	398.96	20.8	3.83	18.4	none	0.0	2975.66	9,518
NR	Best Buy Co	NA	23	†	6¾	0.07	96.4	0.11	0.1	none	0.0	7.31	56
829	Bethlehem Steel	–21.3	32	4	16⅝	3.11	5.3	0.23	4.8	0.40	2.4	20.91	1,240
479	Betz Laboratories	183.8	62	15	54⅜	3.49	15.7	1.68	10.9	1.88	3.4	14.94	843
742	Beverly Enterprises	35.7	22	2	5⅞	–2.23	def	0.15	def	none	0.0	8.24	318
NR	Bindley Western Inds	NA	17	5	9¼	0.59	16.5	0.04	0.3	none	0.0	7.31	60
812	Black & Decker	–8.1	29	12	21⅛	1.40	15.1	0.45	3.0	0.40	1.9	12.38	1,237
294	Blair	345.5	43	5	30⅝	3.20	9.6	0.65	6.9	2.15	7.0	10.76	279
223	H&R Block	444.6	37	5	34⅜	1.91	18.0	1.96	10.9	1.28	3.7	8.49	1,805
129	Block Drug	653.0	37	4	36⅜	2.53	14.4	1.53	10.6	0.70	1.9	17.75	640
674	Blount	78.7	21	5	9⅜	5.67	1.7	0.12	7.4	0.95	10.1	11.87	113
542	BMA	143.9	48	10	37½	4.70	8.0	0.69	8.6	1.20	3.2	32.04	364
426	Boatmen's Bancshares	214.0	48	8	34¼	2.40	14.3	0.79	5.8	2.12	6.2	29.72	1,152
396	Bob Evans Farms	242.5	20	3	14	0.95	14.7	1.05	7.2	0.26	1.9	6.40	449
367	Boeing	274.2	62	6	56⅛	3.36	16.7	0.64	3.8	1.20	2.1	23.51	12,901
618	Boise Cascade	106.0	52	11	41⅞	6.46	6.5	0.44	6.8	1.52	3.6	37.34	1.881
114	Borden	719.8	39	3	32⅝	–0.45	def	0.63	def	0.96	2.9	12.50	4,823
642	Boston Edison	92.1	28	9	21⅛	1.86	11.4	0.64	7.1	1.82	8.6	19.33	801
NR	Bowater	NA	45	14	27¼	4.21	6.5	0.67	10.9	1.12	4.1	23.04	977
794	Briggs & Stratton	4.8	42	20	27¼	–1.37	def	0.45	def	1.60	5.9	17.92	394
191	Bristol-Myers Squibb	501.4	56	7	55⅝	2.66	20.9	3.23	15.5	2.00	3.6	9.49	28,972
NR	Broad	NA	13	6	10⅞	0.15	72.5	0.54	1.0	0.20	1.8	5.42	333
523	Brooklyn Union Gas	153.3	31	9	28½	2.52	11.3	0.69	6.6	1.78	6.2	19.12	669
206	Brown-Forman	481.1	84	11	77	5.38	14.3	2.17	15.2	1.68	2.2	19.44	2,154
375	Brown Group	264.7	44	8	31	0.57	54.4	0.30	0.5	1.60	5.2	19.10	540
31	Browning-Ferris Inds	1547.5	43	2	41⅞	1.74	24.1	2.43	10.3	0.56	1.3	7.05	6,201
67	Bruno's	963.2[b]	14	†	13⅜	0.62	22.0	0.51	2.3	0.14	1.0	3.56	1,112
108	Brunswick	737.3	30	1	14	–0.54	def	0.41	def	0.44	3.1	10.97	1,212
NR	Burlington Coat	NA	41	12	18¼	1.90	9.6	0.32	3.3	none	0.0	16.41	215
NR	Burlington Northern	NA	31	21	27⅜	2.55	10.7	0.44	4.2	1.20	4.4	12.31	2,042
NR	Burlington Resources	NA	54	23	44⅝	3.06	14.6	3.80	26.2	0.70	1.6	20.43	6,677
NR	Businessland	NA	19	3	9½	0.96	9.9	0.24	2.4	none	0.0	6.40	294
826	Butler Manufacturing	–19.8[c]	46	18	19¼	2.85	6.8	0.14	2.1	none	0.0	27.60	86
NR	Cablevision Systems	NA	47	13	43⅜	–6.28	def	1.94	def	none	0.0	–12.95	954
594	Cabot	120.5	49	14	33⅝	0.55	61.1	0.47	0.9	1.04	3.1	22.55	906
693	Caesars World	70.0	43	6	30⅜	2.50	12.2	0.84	6.9	none	0.0	9.82	755
NR	CalFed	NA	42	11	23⅞	3.04	7.9	0.19	2.5	1.40	5.9	55.43	596
581	CalMat	127.2	46	6	26⅛	1.92	13.6	1.23	9.1	0.56	2.1	15.67	803
157	Campbell Soup	565.1	61	6	49⅞	0.20	249.4	1.10	0.5	0.92	1.8	13.72	6,463
62	Capital Cities/ABC	1022.9	568	40	546	24.85	22.0	2.06	9.3	0.20	0.0	168.09	9,827
268	Capital Holding	386.1	49	8	48	5.51	8.7	0.90	10.8	1.00	2.1	25.78	2,155
NR	Cardinal Distribution	NA	23	8	20¾	1.30	15.9	0.27	1.3	0.06	0.3	9.67	211
234	Carl Karcher	428.0[b]	18	2	13⅜	0.99	13.4	0.49	3.9	0.08	0.6	3.46	238
476	Carlisle Cos	184.5	55	9	34½	2.60	13.3	0.49	3.7	1.20	3.5	23.72	278
NR	Carnival Cruise Lines	NA	26	8	19⅝	1.59	12.3	2.51	20.4	0.40	2.0	5.59	2,642
238	Carolina Freight	426.2	43	3	18¾	1.47	12.8	0.18	1.5	0.60	3.2	20.11	123
561	Carolina Power & Lt	136.0	46	14	45⅛	4.06	11.1	1.49	14.7	2.84	6.3	28.66	3,627
705	Carpenter Technology	59.2	58	26	47¾	3.30	14.5	0.70	4.8	2.40	5.0	34.68	439
NR	Carter Hawley Hale	NA	15	7	8⅜	0.36	23.3	0.07	0.3	none	0.0	–9.18	193
34	Carter-Wallace	1483.0	76	3	58⅜	3.18	18.4	1.66	9.1	0.82	1.4	19.80	886
NR	Casey's General Store	NA	20	3	10¼	0.53	19.3	0.26	1.4	none	0.0	6.22	117
410	AM Castle & Co	229.0	17	3	13	1.29	10.1	0.18	1.8	0.68	5.2	9.11	93
NR	Castle & Cooke	NA	45	10	36⅝	1.49	24.6	0.83	3.5	none	0.0	12.53	2,170
795	Caterpillar	3.7	75	28	56	5.46	10.3	0.52	5.0	1.20	2.1	40.56	5,679
832	CBI Industries	–21.9	71	16	29⅞	0.98	30.5	0.39	1.8	0.60	2.0	22.30	570
358	CBS	282.8	226	33	200½	10.92	18.4	1.65	9.8	4.40	2.2	97.96	4,733
16	CDI	2391.7	19	†	15	1.02	14.7	0.35	2.3	none	0.0	4.15	296
236	Centel	427.6	68	9	59½	4.08	14.6	3.17	22.8	1.28	2.2	16.46	3,344

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NR	**Centerior Energy**	NA	28	12	20	−0.52	def	1.26	def	1.60	8.0	19.68	2,816
NR	**Centex**	NA	42	15	33⅛	3.52	9.4	0.25	2.8	0.40	1.2	26.56	479
511	**Central & So West**	157.6	41	11	36⅜	3.00	12.1	1.37	11.3	2.60	7.1	27.49	3,433
765	**Central Hudson G&E**	22.0	40	15	22⅞	2.31	9.9	0.73	8.6	1.76	7.7	21.24	333
631	**Central Ill Pub Svc**	97.9	31	9	23¾	2.37	10.0	1.35	14.5	1.80	7.6	17.38	812
723	**Central Maine Power**	48.1	21	7	19¼	1.47	13.1	0.63	5.4	1.52	7.9	15.46	439
NR	**Central Newspapers**	NA	26	21	24⅜	1.23	19.8	1.51	7.6	none	0.0	8.66	649
486	**Central Steel & Wire**	181.3	675	210	675	77.16	8.7	0.33	3.8	70.00	10.4	500.00	199
NR	**CenTrust Savings Bank**	NA	13	1	1⅞	−6.63	def	0.02	def	none	0.0	26.87	16
749	**Champion Intl**	28.8	45	11	30¾	4.74	6.5	0.56	8.6	1.10	3.6	35.06	2,933
142	**Charming Shoppes**	623.5	37	1	11¼	0.88	12.8	0.73	5.8	0.12	1.1	4.58	562
880	**Charter**	−86.4	44	1	4⅝	0.13	36.5	0.35	1.0	none	0.0	2.95	224
654	**Chase Manhattan**	85.8	50	15	35⅞	−7.08	def	0.27	def	2.36	6.6	47.19	3,737
600	**Chemed**	116.7	45	14	35¾	2.55	14.0	0.57	4.3	1.84	5.1	15.10	335
634	**Chemical Banking**	96.6	56	14	32	−5.09	def	0.25	def	2.72	8.5	47.81	2,050
580	**Chesapeake**	127.4	27	5	18	2.56	7.0	0.47	6.7	0.72	4.0	13.66	368
584	**Chevron**	125.7	69	23	63⅝	3.82	16.7	0.79	4.8	2.80	4.4	43.23	21,768
NR	**Child World**	NA	20	7	14⅞	0.81	18.4	0.20	1.1	none	0.0	18.17	170
154	**Chrysler**	571.0	48	1	20⅛	6.27	3.2	0.12	3.9	1.20	6.0	32.58	4,685
228	**Chubb**	437.3	92	13	90⅝	9.39	9.7	0.89	9.6	2.32	2.6	55.49	3,688
NR	**Cigna**	NA	77	27	65⅜	6.16	10.6	0.33	3.3	2.96	4.5	64.54	5,139
525	**CILcorp**	152.5	43	11	37¼	3.56	10.5	1.12	10.7	2.46	6.6	24.65	503
132	**Cincinnati Bell**	649.3	35	3	25⅞	1.40	18.5	1.85	10.2	0.68	2.6	8.32	1,610
152	**Cincinnati Financial**	580.2	83	9	77¾	7.18	10.8	1.31	12.1	2.16	2.8	50.39	1,259
664	**Cincinnati G&E**	81.2	31	8	30⅛	3.98	7.6	1.08	15.8	2.32	7.7	22.94	1,506
823	**Cincinnati Milacron**	−15.6	47	14	16¼	0.81	20.1	0.47	2.4	0.72	4.4	9.14	393
771	**Circle K**	19.4	19	2	5⅛	0.09	58.3	0.06	0.3	none	0.0	7.12	229
1	**Circuit City Stores**	9287.0	27	†	24½	1.56	15.7	0.59	3.8	0.08	0.3	6.05	1,108
NR	**Circus Circus**	NA	57	6	47¾	2.40	19.9	2.80	14.0	none	0.0	4.80	1,441
529	**Citicorp**	150.5	36	8	29⅝	5.32	5.6	0.26	5.1	1.62	5.4	25.93	9,492
256	**Citizens & Southern**	408.2	36	5	31⅛	3.59	8.7	0.81	9.8	1.40	4.5	19.97	1,916
878	**CityFed Financial**	−83.2[a]	18	†	½	−13.93	def	0.01	def	0.04	9.1	14.13	8
811	**Clark Equipment**	−7.8	44	15	35⅝	3.35	10.6	0.44	4.2	none	0.0	27.68	604
106	**Clorox**	741.6	45	3	43⅛	2.30	18.8	1.72	9.2	1.24	2.9	14.19	2,389
669	**CMS Energy**	79.5	39	4	33⅞	3.78	9.0	0.94	10.5	0.40	1.2	20.23	2,785
188	**CNA Financial**	503.9	98	10	96⅝	11.17	8.7	0.67	7.9	none	0.0	54.87	6,019
519	**Coachmen Industries**	154.5	40	2	7	−0.18	def	0.16	def	0.40	5.7	9.94	53
NR	**Coast Savings Finl**	NA	22	11	14	−4.27	def	0.15	def	0.40	2.9	37.03	184
445	**Coastal Corp**	202.4	46	5	43⅜	2.88	15.1	0.34	2.0	0.40	0.9	21.10	2,934
167	**Coca-Cola**	543.5	75	9	74	3.38	21.9	3.00	13.7	1.36	1.8	8.58	26,254
NR	**Coca-Cola Enterprises**	NA	21	10	15⅞	0.79	20.1	0.55	3.2	0.05	0.3	11.73	2,110
304	**Colgate-Palmolive**	328.7	65	11	61⅝	4.94	12.5	0.86	6.9	1.80	2.9	16.48	4,257
84	**Collins Foods Intl**	825.5	24	1	20⅝	1.28	16.1	0.85	5.3	0.20	1.0	10.08	464
766	**Columbia Gas System**	21.9	57	26	46	2.78	16.5	0.74	4.5	2.00	4.3	34.18	2,089
590	**Columbia S&L Assn**	122.2[a]	17	1	3¾	−10.45	def	0.06	def	0.28	7.5	23.29	75
746	**Combustion Eng**	31.2	55	20	38⅞	−3.50	def	0.41	def	1.00	2.6	15.33	1,504
35	**Comcast**	1428.7	20	†	16⅛	−1.22	def	3.10	def	0.11	0.7	2.05	1,634
68	**Comdisco**	956.0	37	1	24⅞	2.57	9.7	0.61	6.4	0.24	1.0	10.89	1,028
403	**Comerica**	234.0	59	11	52	4.60	11.3	0.67	6.3	2.40	4.6	37.90	817
261	**Commerce Bcshs**	403.3	30	4	28⅝	2.98	9.6	1.01	10.4	0.64	2.2	20.00	555
374	**Commerce Clearing**	265.4	71	12	47½	2.27	20.9	1.28	6.1	1.40	2.9	11.99	853
NR	**Commercial Federal**	NA	19	3	5	0.70	7.1	0.05	0.8	none	0.0	18.75	35
427	**Commercial Metals**	213.2	24	4	20¾	2.46	8.4	0.17	2.2	0.44	2.1	14.83	223
640	**Commonwealth Ed**	92.5	39	16	38½	2.98	12.9	1.41	12.6	3.00	7.8	32.51	8,143
504	**Commonwealth Energy**	163.2	46	11	37½	3.83	9.8	0.47	5.0	2.80	7.5	30.51	361
NR	**Commtron**	NA	11	1	8⅞	0.78	11.4	0.16	1.4	none	0.0	4.58	89
NR	**Communications Trans**	NA	12	4	4⅛	−3.12	def	0.11	def	none	0.0	0.18	44
NR	**Compaq Computer**	NA	113	3	91	8.18	11.1	1.27	12.6	none	0.0	21.13	3,508
48	**Computer Associates**	1246.8[b]	22	†	12	0.84	14.3	1.85	11.4	none	0.0	2.23	2,227
473	**Computer Sciences**	184.9	73	11	54⅛	3.46	15.6	0.60	3.9	none	0.0	24.62	854
42	**ConAgra**	1304.3	28	1	26⅞	1.71	15.7	0.26	1.7	0.60	2.2	7.84	3,247
NR	**Conseco**	NA	27	7	24⅜	7.21	3.4	0.18	7.6	0.20	0.8	12.50	107
303	**Consolidated Edison**	328.8	28	4	26	2.45	10.6	1.10	11.0	1.72	6.6	18.39	5,928

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418	Consol Freightways	224.2	41	6	26¾	2.04	13.1	0.29	2.3	1.06	4.0	20.32	1,009
305	Consol Natural Gas	328.3	51	9	43½	1.89	23.0	1.38	6.0	1.76	4.0	19.83	3,585
204	Consolidated Papers	487.1	44	5	40	3.68	10.9	1.87	17.2	1.20	3.0	16.46	1,744
NR	Consolidated Rail	NA	46	20	42¾	4.47	9.6	0.84	8.8	1.40	3.3	59.00	2,929
NR	Consolidated Stores	NA	24	2	3⅝	0.26	14.0	0.27	1.9	none	0.0	3.33	164
297	Constar Intl	336.9	33	6	31⅛	3.07	10.1	0.38	3.4	0.64	2.1	14.14	210
363	Contel	278.3	37	6	30½	1.59	19.2	1.54	8.1	1.10	3.6	9.94	4,830
NR	Continental Bank	NA	26	9	22¼	5.23	4.3	0.26	9.1	1.00	4.5	22.57	905
755	Continental Corp	24.4	55	20	33⅛	–0.57	def	0.29	def	2.60	7.8	41.26	1,785
843	Control Data	–35.5	64	15	17½	–11.82	def	0.22	def	none	0.0	24.97	731
596	Cooper Industries	118.5	38	9	33¼	2.46	13.5	0.69	5.2	1.00	3.0	17.43	3,371
19	Cooper Tire & Rubber	2248.8	39	1	34⅞	2.64	13.2	0.84	6.3	0.36	1.0	12.60	713
711	Adolph Coors	54.3	32	9	20¼	0.96	21.1	0.44	2.1	0.50	2.5	28.96	743
NR	Copperweld	NA	16	5	13⅜	1.87	7.2	0.39	6.1	0.40	3.0	10.69	117
189	CoreStates Financial	503.4	50	5	43¾	4.95	8.8	0.94	10.6	1.92	4.4	28.40	1,722
474	Corning	184.9	43	9	39⅞	2.60	15.4	1.49	10.0	0.80	2.0	17.57	3,544
452	Corroon & Black	198.1	44	8	40¼	2.19	18.4	1.52	8.2	1.24	3.1	12.73	689
NR	Costco Wholesale	NA	33	5	32½	0.97	33.5	0.33	0.9	none	0.0	4.32	1,003
286	CPC International	355.5	70	13	68¾	4.11	16.7	1.08	6.4	1.80	2.6	15.25	5,386
NR	Crane	NA	25	14	21⅛	1.30	16.3	0.48	2.9	0.75	3.5	8.37	697
323	Cray Research	311.0	136	6	32⅞	4.04	8.1	1.22	15.9	none	0.0	23.14	962
279	Crestar Financial	371.2	36	5	29¾	3.18	9.4	0.73	8.6	1.20	4.0	21.13	841
867	Cross & Trecker	–72.8	42	5	6	–3.76	def	0.16	def	none	0.0	13.46	74
NR	CrossLand Savings FSB	NA	25	3	4⅜	–13.03	def	0.04	def	none	0.0	32.91	60
824	Crown Central Pet	–17.9	44	9	30¼	3.92	7.7	0.16	2.8	0.40	1.3	29.43	189
244	Crown Cork & Seal	422.8	57	7	50¾	3.52	14.4	0.73	5.0	none	0.0	23.98	1,371
185	CRS	504.4	22	2	17⅛	1.30	13.1	0.18	2.7	0.12	0.7	6.89	110
NR	Crystal Brands	NA	38	12	33⅛	2.91	11.4	0.37	3.3	0.20	0.6	24.36	299
613	CSX	108.9[a]	42	12	33¼	3.92	8.5	0.46	5.8	1.40	4.2	30.37	3,547
86	Culbro	814.2	59	3	36	–0.59	def	0.16	def	0.80	2.2	29.31	155
698	Cummins Engine	66.5	95	25	51⅝	–5.66	def	0.16	def	2.20	4.3	57.73	550
227	Curtice Burns Foods	437.8	41	4	36¼	2.70	13.4	0.24	1.8	0.88	2.4	16.93	203
NR	Cyclops Industries	NA	50	19	32	5.77	5.5	0.19	3.5	none	0.0	4.98	222
NR	Cyprus Minerals	NA	33	9	26⅜	6.73	3.9	0.59	15.6	0.80	3.0	25.49	1,037
NR	Dairy Mart	NA	15	3	7½	0.28	26.8	0.05	0.2	none	0.0	7.18	31
728	Dallas Corp	44.6	24	7	23½	0.24	97.9	0.54	0.6	0.66	2.8	12.96	175
632	Dana	97.4	54	11	33⅞	3.81	8.9	0.26	3.0	1.60	4.7	23.61	1,377
141	Danaher	629.8	20	1	16⅞	1.77	9.5	0.55	5.6	none	0.0	6.33	416
66	Dart Group	966.7	179	7	92	10.93	8.4	0.19	2.4	0.13	0.1	145.62	160
855	Data General	–49.9	76	10	13¾	–4.10	def	0.30	def	none	0.0	21.51	391
NR	Datapoint	NA	9	3	3⅞	–3.88	def	0.13	def	none	0.0	6.10	39
178	Dayton Hudson	519.5	67	9	65⅝	4.27	15.4	0.35	2.6	1.12	1.7	23.97	4,643
53	Dean Foods	1215.2	39	2	32⅜	2.31	14.1	0.50	3.5	0.66	2.0	11.15	858
726	Deere & Co	45.4	64	21	56⅞	4.78	11.9	0.71	6.0	1.40	2.5	32.92	4,244
NR	Delchamps	NA	31	9	27½	1.73	15.9	0.21	1.4	0.40	1.5	13.01	196
566	Delmarva Power & Lt	133.2	25	6	19⅝	1.66	11.8	1.16	10.8	1.50	7.6	13.28	906
395	Delta Air Lines	243.1	86	15	67⅛	9.87	6.8	0.39	5.9	1.20	1.8	53.17	3,307
NR	Delta Woodside Inds	NA	18	5	11⅞	1.53	7.8	0.39	5.0	0.30	2.5	6.82	222
123	Deluxe	674.7	42	4	34⅜	1.75	19.6	2.27	11.5	1.04	3.0	6.65	2,935
629	Dennison Mfg	99.0	36	10	23⅞	2.37	10.1	0.48	4.9	1.32	5.5	17.91	370
344	DeSoto	293.7	53	10	46¾	–2.15	def	0.46	def	0.40	0.9	24.28	188
626	Detroit Edison	100.0	25	10	24¾	–1.10	def	1.15	def	1.68	6.8	15.64	3,633
533	Dexter	147.3	35	7	22½	1.74	12.9	0.66	5.1	0.88	3.9	12.36	559
568	Di Giorgio	133.0	36	7	30	1.79	16.8	0.13	0.8	0.64	2.1	15.96	151
NR	Diamond Shamrock R&M	NA	29	7	20½	3.01	6.8	0.25	4.0	0.44	2.1	13.61	491
52	Dibrell Brothers	1224.0	29	1	25½	2.46	10.4	0.24	2.3	0.68	2.7	11.35	169
512	Diebold	157.3	68	12	36⅞	2.62	14.1	1.06	7.5	1.40	3.8	27.40	486
532	Digital Equipment	147.5	200	28	85¼	7.94	10.7	0.80	7.7	none	0.0	66.12	10,361
8	Dillard Dept Stores	3705.8	74	1	69	3.74	18.4	0.82	4.5	0.20	0.3	23.39	2,218
NR	Dime Savings Bank FSB	NA	27	11	12	0.74	16.2	0.24	1.5	0.60	5.0	31.97	274
61	Walt Disney	1039.9	136	10	127⅞	5.10	25.1	3.71	15.3	0.48	0.4	17.71	17,034
435	Diversified Energies	210.1	35	8	34½	1.53	22.5	0.67	3.0	1.56	4.5	17.17	551
219	Dixie Yarns	451.7	34	2	14¼	1.39	10.3	0.27	2.5	0.68	4.8	18.46	157

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Sources: Forbes; William O'Neill & Co.

Rank	Company	10-year price change %	1980-89 price range high	low	Recent price	Latest 12-mos earnings per share $	Price/earnings ratio	Price/sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
183	**Dollar General**	508.6	29	1	10	0.61	16.4	0.30	1.8	0.20	2.0	6.12	182
467	**Dominion Bankshares**	188.4	26	5	21⅝	2.37	9.1	0.81	8.9	0.88	4.1	14.66	830
462	**Dominion Resources**	193.7	52	13	46¼	3.86	12.0	1.26	10.6	3.32	7.2	32.86	4,538
159	**RR Donnelley & Sons**	563.7	48	5	46¼	2.81	16.5	1.16	7.0	0.88	1.9	16.69	3,593
336	**Dover**	300.0	40	7	31¾	2.26	14.0	0.99	6.9	0.72	2.3	11.37	2,070
466	**Dow Chemical**	189.5	73	13	62	9.90	6.3	0.97	15.3	2.60	4.2	26.35	17,069
225	**Dow Jones**	442.3	56	5	36⅜	3.18	11.4	2.21	19.3	0.72	2.0	11.51	3,668
624	**DPL**	100.9	31	11	29⅛	3.11	9.4	1.26	13.5	2.24	7.7	20.45	1,206
699	**DQE**	66.1	24	10	22⅝	2.00	11.3	1.17	10.1	1.28	5.7	18.51	1,309
833	**Dravo**	–24.4	33	8	15⅝	–0.56	def	0.82	def	none	0.0	6.33	230
708	**Dresser Industries**	56.3	57	12	40⅝	2.35	17.3	0.71	4.1	1.00	2.5	22.38	2,732
NR	**Drug Emporium**	NA	16	6	8⅜	0.69	12.1	0.24	2.0	0.20	2.4	3.64	106
484	**EI du Pont de Nemours**	181.7	131	30	113¾	10.54	10.8	0.78	7.1	4.80	4.2	64.08	27,236
443	**Duke Power**	203.7	53	13	52⅜	4.16	12.6	1.47	13.1	3.12	6.0	34.00	5,305
329	**Dun & Bradstreet**	305.7	72	8	44½	3.06	14.5	1.94	13.3	2.00	4.5	11.18	8,330
95	**Durr-Fillauer**	774.1	23	2	20¾	1.62	12.8	0.31	2.1	0.24	1.2	8.68	207
103	**DWG**	749.1	16	†	13½	–0.61	def	0.29	def	none	0.0	4.94	348
316	**E-Systems**	318.3	45	6	34⅜	2.57	13.4	0.67	5.1	0.50	1.5	15.89	1,062
854	**Eagle-Picher Inds**	–49.7	53	8	10	–42.40	def	0.14	def	none	0.0	–25.05	107
731	**Eastern Enterprises**	43.4	34	14	31	2.52	12.3	0.91	7.4	1.40	4.5	20.41	718
628	**Eastman Kodak**	99.3	71	19	42⅝	2.78	15.3	0.77	5.0	2.00	4.7	20.91	13,820
421	**Eaton**	216.9	72	13	54⅛	5.91	9.2	0.55	6.0	2.00	3.7	31.24	2,007
671	**Echlin**	79.1	25	5	13⅞	0.80	17.4	0.53	3.1	0.70	5.0	11.39	773
569	**Ecolab**	130.9	36	8	28	1.34	20.9	0.60	2.9	0.66	2.4	15.84	766
NR	**Edison Bros Stores**	NA	69	21	64¾	4.88	13.3	0.65	4.9	1.80	2.8	21.23	649
105	**AG Edwards**	742.5	39	2	24⅛	2.32	10.4	0.98	9.4	0.68	2.8	13.25	548
453	**EG&G**	197.7	45	11	36⅜	2.35	15.5	0.68	4.3	0.76	2.1	11.07	1,092
808	**El Paso Electric**	–4.1	22	6	8⅝	–2.90	def	0.73	def	none	0.0	15.22	303
431	**Emerson Electric**	211.8	42	9	36½	2.63	13.9	1.16	8.3	1.26	3.5	12.51	8,226
251	**Emerson Radio**	414.1	13	†	6	0.38	15.8	0.25	1.6	none	0.0	2.47	218
NR	**Empire of America**	NA	7	†	⅜	–15.63	def	0.00	def	none	0.0	5.70	6
736	**Engelhard**	38.4b	30	11	22⅜	1.95	11.5	0.40	3.5	0.56	2.5	17.00	1,001
682	**Enron**	75.2	55	21	51¼	2.28	22.5	0.42	2.4	2.48	4.8	30.95	2,427
781	**Enserch**	12.7	40	13	21⅞	0.69	31.7	0.52	2.0	0.80	3.7	9.71	1,407
757	**Enstar Group**	24.2	19	2	3⅛	–3.11	def	0.22	def	none	0.0	7.20	172
692	**Entergy**	70.3	23	7	21½	–2.09	def	1.17	def	1.00	4.7	23.96	4,398
63	**Equifax**	991.3	20	1	17⅝	0.81	21.6	1.05	4.8	0.46	2.6	4.60	862
517	**Equitable of Iowa**	154.8	36	9	31½	3.15	10.0	0.39	4.4	1.08	3.4	33.47	220
243	**Equitable Resources**	423.5	47	5	38	2.14	17.8	1.84	10.4	1.34	3.5	22.90	793
NR	**Esselte Business Sys**	NA	46	12	45⅛	2.77	16.3	0.66	4.0	0.96	2.1	22.75	926
140	**Ethyl**	630.7	32	2	26⅜	1.76	15.0	1.35	8.9	0.48	1.8	7.01	3,183
405	**Exxon**	232.0	50	12	45¾	3.05	15.0	0.71	4.7	2.40	5.2	24.65	58,958
232	**Family Dollar Stores**	429.4	28	1	10	0.78	12.8	0.37	2.8	0.36	3.6	6.03	277
170	**Fay's**	537.0	15	1	11¼	0.77	14.6	0.30	2.1	0.20	1.8	3.91	170
314	**Federal Express**	319.3	76	9	48⅞	2.84	17.2	0.45	2.6	none	0.0	28.59	2,553
549	**Federal-Mogul**	141.8	30	6	19½	1.59	12.3	0.44	3.7	0.92	4.7	14.45	489
127	**Federal Natl Mortgage**	658.1	46	2	40¾	2.89	14.1	0.85	6.4	0.56	1.4	9.58	9,616
420	**Federal Paper Board**	217.0	30	4	23⅜	5.03	4.6	0.73	16.3	1.00	4.3	14.36	914
308	**Ferro**	325.8	41	5	29⅝	2.26	13.1	0.57	4.6	0.64	2.2	14.29	613
NR	**FHP International**	NA	51	5	46	2.17	21.2	0.75	3.3	none	0.0	8.88	568
722	**Fieldcrest Cannon**	48.8	43	8	19¼	1.98	9.7	0.15	1.5	0.80	4.2	25.73	198
121	**Figgie Intl**	680.7	97	8	81	9.07	8.9	0.45	4.9	1.20	1.5	52.54	602
883	**Fin Cp Santa Barbara**	–92.5	19	†	1	–4.96	def	0.01	def	none	0.0	5.59	6
NR	**Finevest Foods**	NA	14	6	7½	–1.10	def	0.12	def	0.12	1.6	5.71	80
NR	**Fireman's Fund**	NA	45	24	36	2.88	12.5	0.37	4.5	0.60	1.7	34.83	1,310
392	**First American Corp**	245.0	35	5	23	0.79	29.1	0.71	2.4	1.25	5.4	19.91	529
564	**First American Finl**	134.8	35	4	27	1.91	14.1	0.19	1.4	0.70	2.6	29.98	133
690	**First Bank System**	70.9	37	6	16⅞	–5.58	def	0.50	def	1.64	9.7	14.37	1,032
NR	**First Capital Holding**	NA	27	†	11½	1.95	5.9	0.39	7.5	none	0.0	7.24	357
513	**First Chicago**	157.3	50	10	39⅞	5.40	7.4	0.46	7.0	1.80	4.5	31.51	2,485
115	**First Executive**	714.4	20	†	10⅞	0.30	36.1	0.40	2.3	none	0.0	13.29	921
480	**First Fidelity Bncp**	183.4	47	7	28	–0.48	def	0.54	def	2.00	7.1	24.05	1,615

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	10-year price change %	1980-89 price range high	low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
NR	First Financial Mgmt	NA	39	5	34½	2.16	16.0	1.12	7.8	0.10	0.3	15.48	620
675	First Interstate Bncp	78.5	70	21	56	5.77	9.7	0.39	4.5	3.00	5.4	41.14	2,559
292	First of America Bank	347.7	56	7	49¼	7.03	7.0	0.60	10.4	2.20	4.5	45.31	612
655	First Pennsylvania	85.7	17	2	16¼	1.20	13.5	0.85	8.8	none	0.0	6.59	619
691	First Security	70.7	36	14	33½	3.29	10.2	0.70	6.9	1.28	3.8	31.18	411
387	First Tennessee Natl	248.4	37	6	27	1.89	14.3	0.62	4.4	1.60	5.9	23.56	427
274	First Union	380.6	30	3	22⅜	2.69	8.4	0.75	8.9	1.00	4.4	17.98	2,421
241	First Wachovia	424.5	45	6	39⅞	3.77	10.6	1.16	11.1	1.52	3.8	22.63	2,744
242	Firstar	424.0	34	4	32⅜	3.59	9.1	0.79	9.3	1.12	3.4	21.26	704
NR	FirstFed Michigan	NA	30	5	14¾	0.48	30.7	0.14	0.5	0.60	4.1	38.25	162
858	Fischbach	–55.9	56	6	11⅝	–7.81	def	0.06	def	none	0.0	25.12	45
186	Fleet/Norstar Finl	504.4	31	3	26⅝	3.30	8.1	0.82	10.5	1.28	4.8	17.80	2,861
249	Fleetwood Enterprises	416.3	42	2	23⅞	2.91	8.2	0.34	4.2	0.76	3.2	17.49	547
398	Fleming Cos	240.0	46	7	29¾	2.64	11.3	0.07	0.7	1.00	3.4	21.79	865
NR	Florida Federal	NA	23	†	½	–7.71	def	0.01	def	none	0.0	3.80	5
202	Florida Natl Banks	488.0	29	3	24½	–1.24	def	0.82	def	0.52	2.1	17.95	651
494	Florida Progress	173.5	47	10	38⅝	3.77	10.2	0.95	9.3	2.56	6.6	25.80	1,972
NR	Florida Rock Inds	NA	42	3	35½	2.64	13.4	0.75	5.6	0.50	1.4	15.30	327
94	Flowers Industries	775.7	22	1	18⅜	0.77	23.9	0.79	3.3	0.58	3.2	6.05	633
776	Fluor	15.9	71	11	30½	1.29	23.6	0.39	1.7	0.16	0.5	7.61	2,411
122	FMC	676.6	60	3	35⅝	4.45	8.0	0.35	4.6	none	0.0	–6.53	1,221
26	Food Lion	1825.5	15	†	11⅜	0.40	28.4	0.82	2.9	0.10	0.9	1.34	3,663
177	Foodarama Supermkts	521.1	39	3	29½	0.96	30.7	0.06	0.2	none	0.0	26.67	34
174	Ford Motor	525.8	57	3	44½	9.94	4.5	0.22	4.9	3.00	6.7	45.17	21,209
400	Foremost Corp of Amer	238.1c	44	8	35½	1.83	19.4	0.95	4.8	1.08	3.0	16.69	431
868	LB Foster	–73.7b	18	1	3¾	0.35	10.7	0.15	1.4	none	0.0	4.65	37
735	Foster Wheeler	38.7	30	9	18⅜	0.89	20.7	0.53	2.6	0.44	2.4	12.79	649
818	Foxboro	–12.3	48	18	22	1.19	18.5	0.46	2.5	0.40	1.8	15.85	271
490	FPL Group	176.0	38	9	34½	3.25	10.6	0.74	7.0	2.28	6.6	24.90	4,524
768	Freeport-McMoRan	20.8	41	12	29⅜	2.53	11.6	0.76	9.0	2.50	8.5	13.78	1,559
727	Fremont General	45.0	34	5	17⅞	0.86	20.8	0.32	1.5	0.80	4.5	19.09	145
NR	Fruit of the Loom	NA	16	3	12⅞	1.46	8.8	0.64	7.2	none	0.0	4.19	793
353	HB Fuller	287.1	49	4	22½	1.62	13.9	0.29	2.1	0.58	2.6	18.81	213
210	Fuqua Industries	470.4	38	2	26⅜	–0.07	def	0.60	def	0.32	1.2	17.41	558
350	Gannett	288.9	56	8	41⅜	2.42	17.1	1.93	11.2	1.20	2.9	11.09	6,665
7	Gap	3719.2	78	†	51¾	2.70	19.2	1.24	6.5	0.76	1.5	7.87	1,818
697	GATX	66.7	76	20	61¼	6.09	10.1	0.89	9.1	2.00	3.3	29.18	581
NR	Gaylord Container	NA	22	7	8¼	2.48	3.3	0.17	5.3	none	0.0	9.24	126
56	Geico	1124.3	156	8	145⅜	11.12	13.1	1.20	9.3	1.80	1.2	49.05	2,245
592	GenCorp	121.0	40	3	13⅜	7.68	1.8	0.22	12.6	0.60	4.4	–1.13	432
83	General Cinema	826.9	32	2	27⅜	13.09	2.1	0.93	48.0	0.44	1.6	8.25	1,879
NR	General Development	NA	27	8	12	0.43	27.9	0.16	1.0	none	0.0	23.51	101
696	General Dynamics	67.4	89	18	50⅝	7.67	6.6	0.21	3.2	1.00	2.0	46.10	2,111
291	General Electric	348.4	66	11	56¾	4.18	13.6	0.95	7.0	1.64	2.9	20.47	51,195
595	General Host	119.0	26	1	5⅞	–1.00	def	0.24	def	0.30	5.1	8.64	117
556	General Instrument	138.2	67	12	40½	2.95	13.7	0.80	7.1	0.50	1.2	18.68	1,095
330	General Mills	304.9b	74	20	72⅝	3.79	19.2	1.01	5.4	2.20	3.0	9.08	5,854
686	General Motors	73.5	51	17	43⅜	7.45	5.8	0.21	3.8	3.00	6.9	50.87	26,385
NR	General Motors EDS	NA	58	18	57⅛	3.47	16.5	1.33	8.0	0.96	1.7	11.52	6,964
NR	GM Hughes Electronics	NA	41	16	28⅜	1.91	15.0	0.33	6.8	0.72	2.5	58.81	3,676
246	General Public Utils	421.7	46	3	45	4.86	9.3	0.91	9.6	2.20	4.9	34.88	2,611
124	General Re	674.3	96	9	93⅞	6.50	14.4	3.23	22.2	1.36	1.4	29.04	8,711
763	General Signal	23.6	61	28	46½	3.71	12.5	0.47	4.0	1.80	3.9	24.19	886
626	Genesco	100.0	11	2	8	0.98	8.2	0.38	4.1	none	0.0	3.98	181
NR	Genlyte Group	NA	14	7	11	0.91	12.1	0.28	2.3	none	0.0	2.77	140
377	Genuine Parts	258.4	44	8	37⅝	2.52	14.9	0.93	6.2	1.20	3.2	11.16	2,911
NR	Georgia Gulf	NA	60	9	54	7.79	6.9	1.16	17.9	1.00	1.9	10.44	1,324
676	Georgia-Pacific	78.2	62	13	47	6.93	6.8	0.43	6.1	1.60	3.4	27.79	4,457
93	Gerber Products	778.7	52	3	46⅛	2.46	18.8	1.59	8.5	0.96	2.1	8.68	1,756
113	Getty Petroleum	720.4	26	2	18½	2.01	9.2	0.22	2.4	0.20	1.1	8.51	235
25	Giant Food	1834.5	36	1	28⅝	1.76	16.3	0.55	3.4	0.50	1.7	7.11	1,722
NR	Gibson Greetings	NA	29	10	22⅞	2.44	9.4	0.82	8.8	0.34	1.5	11.99	355

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
145	**Gillette**	605.2	50	4	46½	2.65	17.5	1.20	7.1	0.96	2.1	–0.88	4,493
NR	**Gitano Group**	NA	40	14	33¼	2.00	16.6	0.83	5.1	none	0.0	6.86	463
92	**PH Glatfelter**	779.2	49	3	42½	3.90	10.9	1.70	15.7	1.00	2.4	13.96	1,020
NR	**GlenFed**	NA	34	6	17⅞	3.49	5.1	0.20	3.9	1.20	6.7	37.98	540
126	**Golden West Finl**	659.3	34	1	27	2.44	11.1	0.93	8.4	0.16	0.6	14.27	1,696
NR	**Goldome**	NA	8	1	2⅝	–12.03	def	0.06	def	none	0.0	11.49	74
585	**BF Goodrich**	125.5	69	16	44¼	6.89	6.4	0.45	7.4	2.00	4.5	45.81	1,115
378	**Goodyear**	257.3	77	10	46	4.31	10.7	0.24	2.3	1.80	3.9	35.30	2,642
721	**Goulds Pumps**	49.5	25	10	17	1.28	13.3	0.70	5.2	0.76	4.5	9.66	346
724	**WR Grace**	46.9	39	14	29¾	2.89	10.3	0.42	4.1	1.40	4.7	18.18	2,526
429	**WW Grainger**	212.4	72	12	58⅜	4.12	14.2	0.95	6.8	1.04	1.8	23.39	1,586
NR	**Great American Bank**	NA	25	5	7¾	–1.61	def	0.11	def	0.20	2.6	27.31	185
138	**Great American Mgmt**	638.5	34	2	24	0.06	400.0	0.16	0.1	none	0.0	17.44	267
60	**Great A&P Tea**	1054.9	65	3	60⅝	3.69	16.4	0.22	1.3	0.70	1.2	25.42	2,315
296	**Great Lakes Chemical**	343.7	46	6	41⅞	3.41	12.3	2.06	16.8	0.40	1.0	13.83	1,461
211	**Gt Northern Nekoosa**	467.6	63	9	61¼	6.42	9.5	0.86	9.1	1.32	2.2	28.03	3,350
589	**Gt Western Financial**	123.1	25	3	19⅝	1.84	10.7	0.68	6.4	0.80	4.1	15.50	2,515
601	**Greyhound**	116.6	46	12	31⅛	2.66	11.7	0.34	3.0	1.32	4.2	25.88	1,185
NR	**Grossman's**	NA	12	4	4½	0.64	7.0	0.10	1.5	none	0.0	3.88	118
527	**Grow Group**	151.3	16	3	9	0.64	14.1	0.25	2.0	none	0.0	4.16	102
700	**Grumman**	65.9	36	8	18¼	2.20	8.3	0.16	2.1	1.00	5.5	23.90	597
382	**GTE**	253.8	67	15	66⅝	3.97	16.8	1.27	7.9	2.92	4.4	24.93	21,741
368	**Guilford Mills**	273.9	40	5	24⅛	2.56	9.4	0.38	4.1	0.80	3.3	21.18	237
790	**Gulf States Utils**	6.8	17	4	11¾	–0.40	def	0.80	1.3	none	0.0	18.74	1,270
841	**Hadson**	–33.1	29	2	2⅞	–0.52	def	0.14	def	none	0.0	4.31	108
814	**Halliburton**	–8.5	86	17	38⅞	0.92	42.3	0.77	1.8	1.00	2.6	19.80	4,137
65	**Handleman**	981.5	24	1	19⅝	1.34	14.7	0.94	6.4	0.40	2.0	6.01	639
816	**Handy & Harman**	–9.8	35	10	17¼	0.71	24.3	0.36	1.5	0.66	3.8	8.45	240
804	**MA Hanna**	–1.7	30	10	24¼	3.33	7.3	0.62	7.8	0.50	2.1	17.01	672
13	**Hannaford Bros**	2722.0	41	1	37¼	1.87	19.9	0.48	2.5	0.36	1.0	8.86	703
216	**Hanover Insurance**	454.5	38	4	32	4.58	7.0	0.41	5.9	0.44	1.4	32.02	660
NR	**Harcourt Brace**	NA	19	3	6½	–4.50	def	0.35	def	none	0.0	–20.38	473
860	**Harken Energy**	–57.9	26	†	4⅝	0.02	231.5	0.14	0.4	none	0.0	2.60	157
NR	**Harley-Davidson**	NA	43	7	36⅝	3.69	9.9	0.40	4.1	none	0.0	14.09	316
NR	**Harman International**	NA	24	6	21⅛	1.81	11.7	0.35	3.0	none	0.0	9.78	183
737	**Harnischfeger Inds**	37.0	30	5	18½	1.43	12.9	0.44	3.4	0.20	1.1	14.16	603
786	**Harris Corp**	9.1	60	20	35⅞	0.68	52.8	0.55	1.1	0.96	2.7	24.45	1,390
464	**Harsco**	190.4	39	9	30¼	–0.08	def	0.60	def	1.20	4.0	15.94	800
55	**Hartford Steam Boiler**	1130.6	59	2	50	3.74	13.4	2.17	16.3	1.60	3.2	13.72	1,022
335	**Hartmarx**	300.3	35	4	21⅛	1.50	14.1	0.31	2.3	1.20	5.7	19.21	394
2	**Hasbro**	6606.1	31	†	22⅛	1.51	14.7	0.94	6.4	0.16	0.7	12.59	1,299
434	**Hawaiian Electric**	210.4	38	9	37¼	3.02	12.3	0.91	7.4	2.16	5.8	25.17	770
NR	**Healthco Intl**	NA	24	10	15	1.17	12.8	0.27	2.2	none	0.0	18.96	115
221	**Hechinger**	451.0	27	2	12¾	0.98	13.0	0.40	3.0	0.06	0.5	10.14	461
78	**HJ Heinz**	874.2	33	2	32⅞	1.73	19.1	1.44	7.8	0.84	2.6	6.90	8,449
23	**Helene Curtis Inds**	1871.4	35	1	34½	1.79	19.3	0.48	2.4	0.20	0.6	13.75	331
NR	**Henley Group**	NA	74	58	59¾	NA	NA	NA	NA	none	0.0	NA	1,288
616	**Hercules**	107.3	74	15	42¾	2.94	14.5	0.64	4.5	2.24	5.2	44.58	1,960
101	**Hershey Foods**	756.0	38	3	35⅛	1.81	19.4	1.31	6.8	0.78	2.2	11.15	3,168
487	**Hewlett-Packard**	178.2	74	12	41⅛	3.52	11.7	0.81	7.0	0.42	1.0	19.35	9,633
NR	**Highland Superstores**	NA	39	4	4¾	–0.32	def	0.09	def	none	0.0	7.42	87
97	**Hillenbrand Inds**	770.4	41	3	38⅝	1.94	19.9	1.49	7.5	0.50	1.3	9.47	1,44[illegible]
NR	**Hills Dept Stores**	NA	13	5	7⅝	–0.18	def	0.08	def	none	0.0	0.45	146
168	**Hilton Hotels**	543.5	116	12	101¾	2.45	41.5	5.10	12.4	1.00	1.0	17.02	4,867
NR	**Himont**	NA	54	23	50⅛	4.04	12.4	1.95	15.8	none	0.0	21.75	3,246
324	**Holiday**	310.4[c]	89	13	73⅞	3.27	22.6	1.24	5.4	none	0.0	–25.59	1,963
150	**Holly Corp**	584.7[c]	35	1	31¼	4.01	7.8	0.68	8.7	0.40	1.3	0.36	258
11	**Home Depot**	3147.9[b]	38	†	35⅝	1.30	27.5	1.04	3.9	0.12	0.3	5.35	2,685
NR	**Home Shopping**	NA	47	3	5⅜	–0.25	def	0.61	def	none	0.0	1.62	475
NR	**HomeFed**	NA	48	11	32	5.33	6.0	0.37	6.2	0.20	0.6	45.30	674
792	**Homestead Financial**	5.9	13	†	1⅞	–1.91	def	0.05	def	none	0.0	11.58	21
313	**HON Industries**	319.4	33	6	32½	2.60	12.5	1.05	8.0	0.48	1.5	7.91	607

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639	Honeywell	94.0	92	29	80¾	–6.43	def	0.49	def	2.75	3.4	40.14	3,483
133	Geo A Hormel	647.3	34	3	32	1.83	17.5	0.52	3.0	0.52	1.6	10.93	1,226
799	Horn & Hardart	0.6	29	4	6⅜	–0.30	def	0.18	def	none	0.0	4.97	94
439	Household Intl	206.2	62	13	55½	6.56	8.5	0.60	7.4	2.14	3.9	32.99	1,939
673	Houston Industries	79.0	39	16	34¾	2.69	12.9	1.10	8.8	2.96	8.5	28.75	4,118
226	Hubbell	439.5	44	5	41¾	2.84	14.7	1.82	11.9	1.36	3.3	13.85	1,183
NR	Hudson Foods	NA	21	4	11⅜	1.70	6.7	0.24	3.7	0.12	1.1	6.32	148
544	Hughes Supply	143.8	22	5	17⅞	1.83	9.8	0.16	1.7	0.36	2.0	18.89	86
192	Humana	500.0	41	5	39⅜	2.56	15.4	0.94	6.3	1.04	2.6	11.80	3,855
254	Huntington Bcshs	412.1	23	3	20½	2.19	9.4	0.86	9.2	0.74	3.6	13.16	889
NR	IBP	NA	20	10	15⅜	0.94	16.6	0.08	0.5	0.60	3.8	10.36	740
306	ICH	327.6	33	†	5⅞	–2.18	def	0.13	def	none	0.0	11.76	290
882	Ideal Basic Inds	–91.4	36	1	2	–0.19	def	1.48	def	none	0.0	0.14	352
615	IE Industries	108.7	28	11	27⅛	2.28	11.9	0.89	7.5	2.06	7.6	19.13	384
813	Illinois Power	–8.5	32	13	17½	–4.28	def	1.00	def	none	0.0	25.82	1,286
155	Illinois Tool Works	568.0	50	5	41¾	2.94	14.2	1.05	7.4	0.60	1.4	14.11	2,204
NR	IMC Fertilizer Group	NA	50	22	32⅛	5.27	6.1	0.69	11.2	1.08	3.4	21.07	846
NR	Imo Industries	NA	23	6	15⅞	1.79	8.9	0.36	4.1	0.44	2.8	16.79	279
876	Imperial Corp of Am	–81.1b	19	1	2⅛	–11.41	def	0.03	def	none	0.0	19.22	31
NR	Imperial Holly	NA	31	8	26⅜	4.45	5.9	0.25	3.9	0.48	1.8	14.95	177
173	INB Financial	534.5	36	3	29½	3.36	8.8	0.82	9.3	1.20	4.1	22.57	514
756	Inco	24.2c	38	5	29½	6.84	4.3	0.78	18.4	1.00	3.4	7.32	3,123
552	Independent Insurance	141.2	44	13	41	4.91	8.4	0.53	6.3	1.60	3.9	45.41	273
604	Ingersoll-Rand	115.8	50	14	44⅞	3.65	12.3	0.68	5.8	1.20	2.7	24.22	2,303
NR	Ingles Markets	NA	13	6	9	0.80	11.3	0.18	1.7	0.22	2.4	6.29	158
791	Inland Steel Inds	6.7	49	14	33¾	4.67	7.2	0.30	4.0	1.40	4.1	41.40	1,275
NR	Inspiration Resource	NA	19	3	6¾	0.46	14.7	0.33	2.2	0.12	1.8	6.80	447
450	Intel	200.0	42	6	33¾	1.89	17.9	2.06	12.0	none	0.0	11.52	6,093
NR	Interco	NA	4	†	¾	0.94	0.9	0.02	4.7	none	0.0	–33.78	31
531	Intergraph	148.0b	41	3	15½	1.47	10.5	1.06	9.8	none	0.0	11.72	882
764	Interlake	22.3c	18	11	15⅛	1.27	11.9	0.16	1.4	none	0.0	26.66	153
321	Intermark	312.0	15	1	10⅛	–0.63	def	0.09	def	0.12	1.2	8.96	64
717	IBM	52.0	176	48	97⅞	9.40	10.4	0.91	8.7	4.84	4.9	66.99	57,724
394	Intl Flavors & Frags	243.9	78	16	67½	3.63	18.6	2.97	15.9	1.92	2.8	18.34	2,559
760	Intl Minerals & Chem	24.1	67	23	47⅞	3.73	12.8	0.90	8.9	1.00	2.1	35.00	969
573	Intl Multifoods	129.5	40	8	28½	2.28	12.5	0.18	1.5	1.18	4.1	23.17	365
502	International Paper	164.9	59	15	49	7.72	6.3	0.50	8.0	1.68	3.4	41.10	5,427
196	Interpublic Group	495.5	38	4	33⅛	1.98	16.7	0.94	5.4	0.68	2.1	9.53	1,158
NR	InterTAN	NA	63	10	62⅜	4.38	14.2	0.84	5.9	none	0.0	21.56	549
526	Iowa-Illinois G&E	151.8	47	14	43¾	4.12	10.6	1.22	11.9	3.26	7.5	31.34	587
660	Iowa Resources	83.9a	28	9	21½	1.88	11.4	1.32	11.5	1.68	7.8	15.84	474
518	Ipalco Enterprises	154.7	30	8	25⅜	2.54	10.1	1.62	16.0	1.72	6.7	18.06	962
NR	Itel	NA	29	†	21⅛	0.23	91.9	0.51	1.2	none	0.0	14.92	1,031
576	ITT	128.0	66	21	58⅛	5.91	9.8	0.39	4.2	1.60	2.8	56.38	7,768
668	Jacobs Engineering	188.1	28	4	25¾	1.90	13.6	0.17	1.3	none	0.0	7.91	138
266	James River Corp Va	388.9	44	4	27⅞	2.89	9.6	0.38	4.3	0.60	2.2	26.50	2,260
488	Jamesway	177.8	16	1	7⅜	0.35	21.1	0.13	0.6	0.08	1.1	9.19	113
437	Jefferson-Pilot	237.5	43	9	41	3.32	12.3	1.26	10.1	1.36	3.3	34.66	1,580
310	Johnson & Johnson	324.9	57	11	56⅛	3.19	17.6	1.97	11.2	1.16	2.1	10.52	18,695
658	Johnson Controls	84.2	47	8	29⅛	2.55	11.4	0.29	2.6	1.16	4.0	23.42	1,060
645	Earle M Jorgensen	90.8	33	13	28½	2.42	11.8	0.35	2.9	1.00	3.5	23.35	180
182	Jostens	512.0	29	3	27¾	1.40	19.8	1.51	7.6	0.72	2.6	5.63	1,094
41	JWP	1308.5	30	1	27	1.79	15.1	0.38	2.4	none	0.0	7.72	568
NR	K-H Corp	NA	8	1	1⅜	–24.56	def	0.01	def	none	0.0	–14.80	16
606	K mart	114.7	48	10	34	3.67	9.3	0.24	2.6	1.64	4.8	25.12	6,781
554	Kaman	140.0a	21	2	9½	0.45	21.1	0.21	1.0	0.44	4.6	10.01	169
559	Kansas City P&L	137.3	36	12	35	2.81	12.5	1.50	13.0	2.56	7.3	26.24	1,081
625	Kansas City Southern	215.0	80	12	44½	–3.12	def	0.91	def	1.08	2.4	33.68	459
712	Kansas Gas & Elec	54.1	26	9	23½	1.81	13.0	1.50	11.6	1.60	6.8	19.78	821
482	Kansas Power & Light	182.0	33	7	24½	2.07	11.8	0.77	6.7	1.76	7.2	17.51	847
NR	Kaufman & Broad Home	NA	22	7	15⅜	2.18	7.2	0.45	7.2	0.30	1.9	8.49	427
NR	Kay Jewelers	NA	24	4	16	0.53	30.1	0.46	1.5	0.40	2.5	4.54	199

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135	Kellogg	644.3	82	7	70¼	3.81	18.4	1.85	10.0	1.72	2.4	12.07	8,636
119	Kellwood	685.0	41	2	23⅞	2.99	8.0	0.35	4.4	0.80	3.4	16.40	278
70	Kelly Services	935.6	42	3	40¾	2.29	17.8	0.91	5.1	0.60	1.5	7.66	1,223
262	Kemper	462.6	52	6	48⅜	6.10	7.9	0.87	12.0	0.84	1.7	29.51	2,355
753	Kennametal	25.9	42	17	28⅞	2.94	9.8	0.60	6.1	1.16	4.0	19.68	300
459	Kentucky Central Life	195.9	22	4	18	NA	NA	NA	NA	0.40	2.2	21.38	242
578	Kentucky Utilities	127.6	24	7	20⅝	1.75	11.8	1.49	13.8	1.40	6.8	13.01	780
780	Kerr Glass Mfg	12.8	21	8	11	–0.19	def	0.14	0.1	0.44	4.0	11.39	40
739	Kerr-McGee	36.5	52	22	46¼	3.14	14.7	0.75	5.1	1.32	2.9	29.42	2,235
275	KeyCorp	376.4	31	4	27	3.15	8.6	0.70	8.4	1.28	4.7	21.09	1,123
212	Kimball International	461.9	26	3	21¼	1.76	12.1	0.73	6.1	0.60	2.8	11.65	450
147	Kimberly-Clark	590.8	71	9	70⅜	5.07	13.9	1.00	7.2	2.60	3.7	23.17	5,667
NR	KN Energy	NA	25	11	22	–1.95	def	0.59	def	1.00	4.5	15.17	200
332	Knight-Ridder	301.9	61	9	52⅛	4.34	12.0	1.24	10.3	1.22	2.3	15.47	2,775
NR	Kroger	NA	20	7	13⅞	–1.87	def	0.06	def	none	0.0	–36.20	1,123
164	La-Z-Boy Chair	547.6	24	1	17	1.48	11.5	0.54	4.7	0.56	3.3	10.91	303
409	Laclede Gas	230.8	41	7	32¼	2.90	11.1	0.51	4.6	2.30	7.1	22.89	253
NR	Lafarge	NA	21	6	18¼	1.99	9.2	0.63	7.0	0.40	2.2	13.78	904
339	Lancaster Colony	296.3	26	4	24½	1.87	13.1	0.58	4.5	0.76	3.1	11.57	291
317	Lance	314.3	26	4	21¾	1.28	17.0	1.58	9.3	0.76	3.5	6.30	688
371	Landmark Land	270.7	25	4	17⅜	–0.07	def	0.25	def	0.40	2.3	6.09	139
NR	Lands' End	NA	36	11	25⅜	1.42	17.9	1.01	5.7	none	0.0	4.59	509
100	Leggett & Platt	759.5	37	3	31⅞	2.61	12.2	0.57	4.7	0.76	2.4	14.42	543
NR	Leslie Fay Cos	NA	17	4	10⅝	1.47	7.2	0.26	3.6	none	0.0	7.01	203
50	Leucadia National	1236.5	20	†	19½	1.90	10.3	0.41	3.4	none	0.0	15.77	305
648	Liberty Corp	89.5	53	10	36	1.74	20.7	0.94	4.5	0.80	2.2	30.94	312
298	Eli Lilly	335.1	66	11	65	3.08	21.1	4.02	20.1	1.35	2.1	11.76	17,826
3	Limited	6357.6	53	†	35	1.74	20.1	1.42	7.1	0.32	0.9	5.28	6,275
719	Lincoln Electric	50.0	285	150	285	34.33	8.3	0.45	5.5	12.20	4.3	218.70	293
489	Lincoln National	176.0	63	16	60⅛	5.23	11.5	0.33	3.1	2.60	4.3	47.25	2,509
788	Lionel	8.2	14	1	6⅛	0.10	67.5	0.22	0.3	none	0.0	6.37	91
607	Litton Industries	114.1	108	34	85¼	7.05	12.1	0.41	3.5	none	0.0	51.64	2,076
21	Liz Claiborne	1889.3[b]	39	†	24¼	1.71	14.2	1.61	11.4	0.20	0.8	5.22	2,128
376	Lockheed	258.7	62	7	41⅛	3.47	11.9	0.26	2.2	1.80	4.4	41.73	2,448
497	Loctite	169.8	51	9	43½	3.17	13.7	1.68	12.3	1.12	2.6	12.76	782
36	Loews	1420.1	135	7	123⅜	13.00	9.5	0.85	8.9	1.00	0.8	53.20	9,361
879	Lomas Financial	–84.5	39	†	⅝	–9.55	def	0.04	def	0.72	88.9	4.43	24
828	Lone Star Industries	–20.5	42	15	22¾	1.73	13.2	1.08	9.7	1.90	8.4	39.07	376
NR	Lone Star Tech	NA	24	3	3⅜	–4.03	def	0.10	def	none	0.0	14.93	67
751	Long Island Lighting	27.4	19	3	18⅜	–1.15	def	0.92	def	1.00	5.4	21.77	2,072
438	Longs Drug Stores	207.1	46	11	43	2.91	14.8	0.42	2.9	0.96	2.2	15.46	860
602	Longview Fibre	116.4	82	14	69¼	6.85	10.1	1.10	10.8	2.40	3.5	31.95	765
506	Loral	160.7	49	11	33	3.35	9.9	0.72	7.2	0.80	2.4	20.30	842
NR	Lotus Development	NA	39	5	30⅞	1.13	27.3	2.48	9.2	none	0.0	5.57	1,287
NR	Louisiana Land	NA	43	23	39⅞	1.25	31.9	1.78	5.5	1.00	2.5	16.77	1,216
583	Louisiana-Pacific	126.3	43	11	39¾	4.47	8.9	0.76	8.8	1.00	2.5	30.51	1,482
591	Louisville G&E	121.1	44	14	40⅝	3.61	11.3	1.26	12.7	2.78	6.8	28.05	837
327	Lowe's Cos	306.9	42	5	29½	2.06	14.3	0.42	2.9	0.48	1.6	15.80	1,096
NR	LPL Technologies	NA	19	3	16¼	3.56	4.6	0.20	4.6	none	0.0	4.35	119
877	LTV	–81.3	26	1	1½	2.40	0.6	0.02	4.5	none	0.0	–42.32	157
752	Lubrizol	26.5	45	14	34⅞	4.02	8.7	1.08	12.5	1.44	4.1	17.48	1,326
334	Lukens	301.0	39	5	33¾	4.29	7.9	0.45	5.8	1.20	3.6	21.18	289
835	LVI Group	–24.8	9	†	$^{13}/_{16}$	–1.64	def	0.04	def	none	0.0	0.83	19
NR	Lyondell Petrochem	NA	34	16	17¾	NA	NA	0.28	9.1	1.60	9.0	2.98	1,420
850	M/A-Com	–46.4	36	5	5⅝	0.01	563.0	0.31	0.0	0.24	4.3	8.81	139
NR	Mack Trucks	NA	22	6	6½	–3.25	def	0.10	def	none	0.0	17.76	192
NR	Magma Copper	NA	14	3	5¾	1.80	3.2	0.24	7.1	none	0.0	9.57	158
NR	MagneTek	NA	14	9	10⅝	1.02	10.4	0.25	2.3	none	0.0	4.34	242
NR	MAI Basic Four	NA	21	3	3⅜	–2.21	def	0.35	def	none	0.0	5.92	51
69	Manor Care	942.9	26	†	12⅛	0.59	21.8	0.77	3.5	0.13	1.0	5.23	497
759	Manufacturers Hanover	24.1	58	18	38⅜	–9.18	def	0.29	def	3.28	8.5	55.88	2,530
293	Manufacturers Natl	346.5	60	5	55¼	6.94	8.0	0.77	9.7	2.16	3.9	38.07	833

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Sources: Forbes; William O'Neill & Co.

Rank	Company	10-year price change %	1980-89 price range high	low	Recent price	Latest 12-mos earnings per share $	Price/earnings ratio	Price/sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
885	Manville	–94.9	251	6	9⅞	0.88	11.2	0.22	5.5	none	0.0	4.72	474
647	Mapco	90.5	43	10	34⅞	2.95	11.8	0.72	6.0	1.00	2.9	15.31	1,391
5	Marion Laboratories	3973.5	42	†	34⅜	0.48	71.6	5.38	8.2	0.36	1.0	3.79	5,172
4	Mark IV Industries	6257.1	14	†	12⅝	1.54	8.2	0.22	2.6	none	0.0	7.07	204
72	Marriott	925.0	44	3	36⅛	2.12	17.0	0.49	3.0	0.24	0.7	6.53	3,927
272	Marsh & McLennan Cos	381.7	90	13	84¾	4.04	21.0	[illegible]	12.2	2.50	2.9	10.56	6,061
90	Marsh Supermarkets	799.7	20	1	17½	1.30	13.5	0.15	1.1	0.32	1.8	8.40	136
270	Marshall & Ilsley	382.8	39	5	35	3.72	9.4	0.98	10.9	1.08	3.1	22.85	738
213	Marshall Industries	459.7	25	2	17⅜	2.16	8.0	0.30	3.8	none	0.0	14.59	160
404	Martin Marietta	233.0	57	9	45⅞	4.86	9.4	0.42	4.5	1.35	2.9	22.73	2,423
346	Masco	292.2	41	4	25	1.74	14.4	1.31	8.9	0.52	2.1	11.30	3,904
NR	Masco Industries	NA	19	1	7½	0.73	10.3	0.36	3.4	none	0.0	4.51	614
579	Mattel	127.5	32	4	17⅜	1.41	12.5	0.72	6.0	none	0.0	2.73	844
NR	Maxus Energy	NA	16	6	9½	–0.98	def	1.49	def	none	0.0	0.25	853
320	Maxxam	312.5	50	7	45⅜	7.33	6.2	0.16	3.1	none	0.0	12.57	341
203	May Dept Stores	487.5	53	6	47	3.43	13.7	0.67	4.7	1.42	3.0	20.43	7,008
423	Maytag	215.6	32	5	19⅝	1.58	12.4	0.76	5.2	0.90	4.6	6.55	2,109
369	MCA	272.3	71	12	67⅝	2.68	25.2	1.42	5.6	0.68	1.0	23.17	4,939
263	McCormick & Co	402.6	49	8	49	5.93	[illegible]	0.89	10.7	0.88	1.8	13.05	1,104
827	McDermott Intl	–20.0	47	13	20	–2.68	def	0.28	def	1.00	5.0	16.00	746
139	McDonald's	632.5	33	3	31⅜	1.90	16.6	1.97	11.8	0.31	1.0	9.09	11,782
649	McDonnell Douglas	89.4	95	22	69⅛	3.27	21.1	0.17	0.8	2.82	4.1	83.42	2,640
290	McGraw-Hill	348.5	86	12	63⅜	3.97	16.0	1.74	10.9	2.00	3.1	19.01	3,088
12	MCI Communications	2788.4	49	1	44¼	2.22	19.9	1.74	9.6	none	0.0	3.95	10,753
481	McKesson	182.6	40	10	36⅜	2.50	14.6	0.20	1.5	1.44	4.0	19.13	1,465
NR	MCN	NA	23	16	21⅝	2.24	9.7	0.39	3.8	1.58	7.3	12.07	503
842	MDC Holdings	–35.1[a]	23	†	1⅜	–4.10	def	0.03	def	none	0.0	11.21	22
458	Mead	196.0	50	6	36⅜	3.51	10.4	0.51	5.0	0.88	2.4	24.82	2,313
NR	Medco Containment	NA	19	5	15⅞	0.34	46.7	0.93	2.0	0.04	0.3	6.22	740
258	Media General	407.7	51	5	33	–0.19	def	1.34	def	0.44	1.3	9.80	850
373	Medtronic	268.1	70	12	63½	3.73	17.0	2.19	12.9	0.70	1.1	17.68	1,701
779	Mellon Bank	14.0	73	22	31⅝	4.69	6.7	0.29	6.2	1.40	4.4	31.60	1,028
160	Melville	560.1	54	5	45⅜	3.29	13.8	0.68	5.0	1.30	2.9	15.65	4,947
540	Mercantile Bancorp	144.2	37	9	27	–0.14	def	0.60	def	1.40	5.2	26.68	434
153	Mercantile Stores	574.3	53	4	41	3.84	10.7	0.67	6.3	0.92	2.2	26.62	1,511
172	Merck	535.3	81	9	76½	3.62	21.1	4.80	22.7	1.80	2.4	7.20	30,351
NR	Mercury General	NA	26	10	15⅝	1.27	12.3	0.42	3.4	0.50	3.2	10.91	211
208	Meredith	474.5	43	5	33⅜	1.69	19.9	0.79	4.0	0.64	1.9	19.66	628
NR	Meridian Bancorp	NA	28	9	21	2.30	9.1	0.73	8.4	1.10	5.2	16.55	779
NR	Meritor Savings Bank	NA	13	2	4⅜	–4.13	def	0.11	def	none	0.0	10.25	154
496	Merrill Lynch	170.1	57	7	26	3.89	6.7	0.23	3.7	1.00	3.8	32.27	2,566
NR	Fred Meyer	NA	23	9	18⅛	1.36	13.3	0.19	1.6	none	0.0	11.53	406
NR	MGM/UA Commun	NA	23	5	20½	–1.48	def	1.18	def	none	0.0	3.99	1,031
417	Michigan National	224.7	58	9	52	11.55	4.5	0.53	12.2	2.00	3.8	39.64	782
NR	Microamerica	NA	8	4	4½	0.57	7.9	0.12	1.5	none	0.0	5.65	61
NR	Micron Technology	NA	41	3	11½	2.85	4.0	0.95	23.8	none	0.0	8.76	423
NR	Microsoft	NA	89	10	88½	3.25	27.2	5.60	21.3	none	0.0	10.29	4,831
348	Midlantic	290.5	52	7	37¾	6.46	5.8	0.65	11.2	1.88	5.0	34.90	1,435
733	Midway Airlines	42.4[a]	23	3	13⅞	0.48	28.9	0.31	1.1	none	0.0	7.76	144
612	Midwest Energy	110.0	26	8	21⅛	2.24	9.4	0.81	8.6	1.60	7.6	12.39	456
187	Herman Miller	504.2	31	2	18⅞	1.67	11.3	0.57	5.0	0.52	2.8	11.16	457
679	Millipore	76.1	47	7	25¾	1.89	13.6	1.10	8.0	0.40	1.6	13.09	719
456	Minn Mining & Mfg	196.5	84	22	74½	5.50	13.5	1.44	10.5	2.60	3.5	24.58	16,713
478	Minnesota Power & Lt	184.1	35	7	25¾	3.07	8.4	1.60	20.1	1.78	6.9	16.80	745
738	Mitchell Energy	36.9	46	8	16⅞	0.33	51.2	1.32	2.5	0.24	1.4	12.12	790
NR	MLX	NA	9	1	1½	0.02	75.0	0.06	0.1	none	0.0	1.86	25
NR	MMR Holding	NA	23	8	9⅝	–1.88	def	0.10	def	none	0.0	5.11	53
180	MNC Financial	518.8	29	3	24¾	3.33	7.4	0.64	8.8	1.16	4.7	18.18	1,482
619	Mobil	105.0	61	19	56⅝	4.44	12.7	0.47	3.7	2.60	4.6	38.19	23,157
273	Modine Manufacturing	381.0	23	2	19	1.54	12.3	0.65	5.4	0.60	3.2	11.50	283
205	Molex	483.1	57	4	34	2.25	15.1	1.49	9.8	0.03	0.1	16.99	858
769	Monarch Capital	20.7	91	15	23⅜	1.98	11.8	0.34	3.3	none	0.0	46.55	168

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Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
354	Monsanto	286.2	124	21	115⅛	9.36	12.3	0.93	7.4	3.40	3.0	55.21	7,925
623	Montana Power	101.3	43	16	40¼	3.11	12.9	1.33	10.8	2.76	6.9	32.00	974
470	Moore Corp	186.1	34	8	28⅛	2.18	12.9	0.99	7.7	0.88	3.1	13.89	2,617
370	JP Morgan & Co	271.9	54	9	43	–6.49	def	0.77	def	1.66	3.9	30.52	7,796
NR	Morgan Products Ltd	NA	31	10	10¾	0.05	215.0	0.21	0.1	none	0.0	10.26	90
NR	Morgan Stanley	NA	80	25	69⅜	10.25	6.8	0.45	7.5	1.10	1.6	38.03	2,431
390	Morrison	245.5	34	5	26½	1.80	14.7	0.54	3.7	0.64	2.4	9.98	461
545	Morrison Knudsen	143.4	56	15	43½	–0.68	def	0.23	def	1.48	3.4	20.09	486
NR	Morton International	NA	42	31	33½	1.88	17.8	1.11	6.3	0.88	2.6	18.80	1,605
407	Motorola	231.5	74	13	56½	3.77	15.0	0.80	5.3	0.76	1.3	26.02	7,327
NR	Multimedia	NA	108	18	94¼	2.93	32.2	2.28	7.9	none	0.0	–48.47	1,043
741	Murphy Oil	35.9	64	15	38½	1.51	25.5	0.81	3.2	1.00	2.6	22.48	1,304
357	Nacco Industries	283.2	54	6	49½	4.96	10.0	0.46	4.6	0.58	1.2	27.73	439
514	Nalco Chemical	156.5	46	14	44¼	2.91	15.2	1.63	11.0	1.48	3.3	12.38	1,707
239	Nash Finch	425.0	28	4	24½	1.12	21.9	0.12	0.6	0.68	2.8	13.90	266
539	Nashua	144.9	43	4	34¾	2.31	15.0	0.34	2.3	0.60	1.7	24.12	329
451	National City	199.0	42	6	37⅞	4.32	8.8	0.91	10.4	1.68	4.4	21.84	2,292
643	Natl Convenience	92.0	19	2	8	–0.13	def	0.17	def	0.36	4.5	2.86	179
345	National Education	293.4	31	1	7⅞	0.61	12.9	0.53	4.2	none	0.0	6.32	230
364	National Fuel Gas	277.5	26	4	24⅞	1.93	12.9	0.82	6.1	1.34	5.4	15.66	701
852	National Intergroup	–48.7	38	10	12⅞	1.65	7.8	0.09	0.8	none	0.0	31.04	280
264	National Medical	399.5	38	6	37⅛	2.02	18.4	0.72	4.0	0.72	1.9	14.80	2,761
820	Natl Semiconductor	–13.8	22	4	6⅝	–0.25	def	0.42	def	none	0.0	7.66	680
201	National Service	489.5	30	4	28	1.92	14.6	0.90	6.2	0.84	3.0	11.33	1,379
864	National-Standard	–62.6	21	5	7¼	–3.03	def	0.11	def	none	0.0	17.59	32
881	Navistar Intl	–89.8	40	2	4	0.60	6.7	0.24	4.4	none	0.0	3.31	1,010
269	NBD Bancorp	384.4	35	4	31¾	3.53	9.0	0.91	10.2	1.28	4.0	21.09	2,264
599	NCH	116.7	55	12	50⅝	4.22	11.9	0.77	6.4	0.88	1.7	22.79	449
143	NCNB	621.1	55	5	49⅛	3.98	12.3	0.93	7.1	1.20	2.4	20.80	4,888
386	NCR	248.8	87	9	60⅝	5.24	11.5	0.80	6.9	1.32	2.2	28.20	4,796
NR	Neiman Marcus Group	NA	46	11	17¼	0.09	191.7	0.37	1.8	0.20	1.2	7.91	564
535	New England Electric	146.3	35	8	27¼	2.00	13.6	0.99	7.3	2.04	7.5	18.33	1,569
688	NY State E&G	71.4	39	13	27	2.56	10.5	1.08	11.2	2.04	7.6	20.71	1,531
165	New York Times	545.6	50	3	24⅞	4.27	5.8	1.15	19.7	0.52	2.1	11.02	1,972
22	Newell Co	1876.6	25	†	21	1.31	16.7	2.34	7.0	0.50	2.3	6.56	2,574
608	Newmont Mining	113.9[c]	102	13	42⅜	2.03	20.9	4.32	20.6	0.60	1.4	–4.33	2,853
784	Niagara Mohawk Power	9.9	26	10	13⅞	0.68	20.4	0.66	4.8	none	0.0	18.19	1,883
754	Nicor	24.9	46	19	41⅜	3.68	11.2	0.77	7.0	2.00	4.8	20.27	1,227
215	NIKE	454.8[a]	69	6	58¼	4.94	11.8	1.21	10.3	0.60	1.0	15.06	2,173
747	Nipsco Industries	30.9	19	8	18	1.67	10.8	0.86	7.9	0.84	4.7	14.04	1,320
NR	NL Industries	NA	28	16	23	2.76	8.3	1.52	18.3	0.60	2.6	2.20	1,517
311	Noland	323.8	27	4	22¼	0.94	23.7	0.18	0.8	0.44	2.0	25.39	82
51	Nordstrom	1236.1	43	1	35½	1.60	22.2	1.12	5.1	0.28	0.8	7.86	2,892
NR	Norfolk Southern	NA	41	13	37¼	3.61	10.3	1.46	13.9	1.44	3.9	28.74	6,678
785	Nortek	9.3	19	3	6¼	–1.16	def	0.08	def	0.10	1.6	16.33	90
NR	Northeast Savings FA	NA	26	3	3¼	–2.36	def	0.03	def	none	0.0	28.73	19
538	Northeast Utilities	145.3	28	7	22⅜	2.08	10.8	1.13	10.5	1.76	7.9	16.90	2,432
389	No States Power	246.4	40	9	38¾	2.93	13.2	1.23	10.3	2.22	5.7	22.95	2,423
441	Northern Telecom	205.2	25	4	22	0.71	31.0	0.90	3.3	0.28	1.3	10.16	5,264
207	Northern Trust	477.5	71	9	64	7.03	9.1	0.87	10.2	1.52	2.4	29.57	1,051
740	Northrop	35.9	57	11	18⅝	–2.83	def	0.15	def	1.20	6.4	21.40	874
695	Norton	67.8	64	23	55⅜	4.41	12.6	0.78	6.2	2.00	3.6	27.64	1,166
524	Norwest	152.9	24	6	21½	2.46	8.7	0.68	8.2	0.82	3.8	12.58	1,910
299	Nucor	334.5	68	10	57¾	4.67	12.4	1.00	16.2	0.44	0.8	25.00	1,229
586	NWNL	124.7	41	9	37½	NA	NA	NA	NA	1.20	3.2	35.17	484
NR	Nynex	NA	84	29	80	6.05	13.2	1.20	9.1	4.36	5.5	47.83	15,754
782	Occidental Petroleum	11.1	40	17	30⅛	0.80	37.7	0.40	1.1	2.50	8.3	23.07	8,074
475	Ogden	184.7	45	8	32½	1.85	17.6	0.99	5.7	1.25	3.8	10.60	1,288
471	Ohio Casualty	185.9	53	14	50¾	6.39	7.9	0.69	8.7	2.08	4.1	33.30	1,095
689	Ohio Edison	71.1	23	9	22⅞	1.44	15.9	1.63	11.6	1.96	8.6	16.60	3,489
485	Oklahoma G&E	181.3	39	11	37⅝	2.89	13.0	1.45	11.3	2.38	6.3	21.01	1,592
307	Old Kent Financial	326.4	30	4	27½	3.23	8.5	0.81	10.2	1.06	3.9	19.06	681

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505	Old Republic Intl	162.1	35	6	28⅜	2.22	12.8	0.45	4.5	0.74	2.6	27.05	516
416	Olin	225.0	68	12	58½	5.53	10.6	0.47	4.5	2.00	3.4	33.32	1,199
45	Olsten	1282.4	24	†	17¾	1.24	14.3	0.47	3.3	0.24	1.4	4.98	273
NR	Omnicom Group	NA	29	16	24½	1.77	13.8	0.63	4.7	0.98	4.0	8.29	605
750	Oneok	28.1	45	9	30¾	2.58	11.9	0.70	5.9	1.40	4.6	22.68	431
NR	Oracle Systems	NA	26	1	25	0.65	38.5	4.75	12.9	none	0.0	1.82	3,173
555	Orange & Rockland	138.7	40	10	30⅛	2.78	10.8	0.73	7.5	2.30	7.6	23.22	383
572	Orion Capital	129.8	40	8	24⅛	3.63	6.6	0.19	3.9	0.84	3.5	20.57	156
611	Orion Pictures	110.0	30	3	23½	0.81	29.0	0.82	3.1	none	0.0	9.44	410
NR	Oryx Energy	NA	42	23	39⅞	1.20	33.2	3.77	3.8	1.20	3.0	15.34	4,187
NR	Oshkosh Truck	NA	33	8	9¼	1.43	6.5	0.20	3.0	0.50	5.4	12.97	83
412	Outboard Marine	228.1	46	4	26¼	3.64	7.2	0.35	4.8	0.80	3.0	30.09	506
233	Owens & Minor	428.6	16	1	12⅜	0.53	23.4	0.12	0.5	0.26	2.1	9.27	103
NR	Owens-Corning	NA	37	8	25	4.36	5.7	0.35	6.5	none	0.0	–15.18	1,004
283	Oxford Industries	360.6	26	2	12⅜	1.04	11.9	0.22	1.8	0.50	4.0	10.89	122
419	Paccar	217.1	53	9	40	5.36	7.5	0.41	5.4	1.00	2.5	25.18	1,436
NR	PACE Membership	NA	23	3	22⅞	0.74	30.9	0.21	0.7	none	0.0	8.22	301
587	Pacific Enterprises	124.2	61	17	49⅞	3.10	16.1	0.49	3.2	3.48	7.0	28.88	3,186
663	Pacific G&E	82.6	28	9	21	0.56	37.5	1.02	4.0	1.40	6.7	16.79	8,640
NR	Pacific Telesis	NA	47	12	44⅛	2.82	15.6	1.94	12.2	1.88	4.3	19.30	18,487
NR	PacifiCare Health	NA	30	2	24¾	0.81	30.7	0.47	1.6	none	0.0	3.27	271
550	PacifiCorp	141.7	44	16	43½	3.47	12.5	1.47	12.2	2.76	6.3	24.04	5,362
428	PaineWebber Group	212.9	49	4	17⅛	0.66	26.0	0.17	1.5	0.52	3.0	26.58	479
288	Pall	349.6	36	6	32⅞	1.51	21.8	2.55	11.6	0.48	1.5	9.69	1,268
856	Pan Am	–52.0	10	2	2⅞	–1.45	def	0.12	def	none	0.0	–2.12	415
NR	Panhandle Eastern	NA	35	18	28½	–0.15	def	1.24	def	2.00	7.0	14.06	2,404
136	Paramount Commun	643.2	66	5	55	3.14	17.5	1.63	9.6	0.70	1.3	19.38	6,390
622	Parker Hannifin	102.9	49	9	25¼	2.05	12.3	0.49	4.0	0.84	3.3	18.65	1,233
NR	Pathe Communications	NA	46	2	2⅞	–5.02	def	0.14	def	none	0.0	3.64	53
415	Penn Central	227.5	34	4	25¼	2.38	10.6	1.04	9.7	0.40	1.6	24.92	1,794
NR	Penn Traffic	NA	28	12	20½	–5.91	def	0.05	def	none	0.0	6.24	105
252	JC Penney	413.9	69	9	67⅛	6.64	10.1	0.53	5.5	2.24	3.3	34.35	8,246
565	Pennsylvania P&L	134.5	43	14	41⅝	3.62	11.5	1.39	14.3	2.86	6.9	27.24	3,133
668	Pennzoil	80.2	95	23	79½	6.07	13.1	1.13	9.5	3.00	3.8	35.67	2,877
319	Pentair	313.1	36	5	27¾	3.19	8.7	0.27	3.5	0.80	2.9	22.19	297
NR	People's Bank	NA	10	7	8⅜	NA	NA	0.40	5.4	0.72	8.6	13.93	273
455	Peoples Energy	196.9[b]	27	7	23¾	2.39	9.9	0.65	6.6	1.60	6.7	15.09	774
40	Pep Boys	1328.6	19	†	11	0.68	16.2	0.84	5.3	0.11	1.0	5.05	601
134	PepsiCo	644.7	62	6	61¾	3.36	18.4	1.11	6.1	1.00	1.6	12.03	16,229
NR	Perini	NA	40	20	35¼	0.44	80.1	0.16	0.5	0.80	2.3	31.64	128
796	Perkin-Elmer	3.6	41	17	21¾	–0.56	def	1.20	def	0.68	3.1	14.10	944
477	Perry Drug Stores	184.2	21	2	8	0.04	200.0	0.12	0.1	none	0.0	4.25	81
570	Petrie Stores	130.8	40	7	22½	0.67	33.6	0.84	2.5	0.20	0.9	13.28	1,052
NR	Petroleum Heat & Pwr	NA	18	11	14¼	–0.52	def	0.46	def	1.83	12.8	0.60	225
379	Pfizer	256.7	77	16	70	4.36	16.1	2.09	13.3	2.20	3.1	26.00	11,578
646	Phelps Dodge	90.7[c]	75	12	58⅞	16.03	3.7	0.79	20.9	3.00	5.1	45.74	2,073
397	PHH	242.2	47	9	37	3.04	12.2	0.34	2.8	1.16	3.1	20.68	624
702	Philadelphia Elec	62.8	26	9	22⅜	2.21	10.1	1.38	16.6	2.20	9.8	17.39	4,623
88	Philip Morris Cos	805.6	46	3	40¾	2.63	15.5	1.04	6.7	1.38	3.4	8.31	37,658
30	Philips Industries	1554.5	25	1	22¾	1.55	14.7	0.65	4.6	0.60	2.6	8.78	635
732	Phillips Petroleum	43.0	30	7	22⅞	2.50	9.2	0.46	5.0	1.00	4.4	8.69	5,566
190	Phillips-Van Heusen	501.8	27	2	17	1.56	10.9	0.22	3.3	0.28	1.6	3.59	154
109	PHM	737.1	38	1	14⅛	2.53	5.6	0.28	5.4	0.12	0.8	10.28	350
181	Pic'N'Save	515.0	30	1	13½	1.10	12.3	1.18	8.8	none	0.0	5.27	541
446	Piedmont Natural Gas	200.7	30	7	27⅛	2.45	11.1	0.65	5.9	1.60	5.9	16.51	277
NR	Pilgrim's Pride	NA	15	3	9	0.90	10.0	0.31	3.1	0.06	0.7	3.02	203
861	Pinnacle West	–58.7	33	7	7⅛	–1.28	def	0.29	def	none	0.0	23.46	618
436	Pioneer Hi-Bred Intl	208.4	45	9	41¼	3.09	13.3	1.51	11.3	1.16	2.8	18.13	1,313
198	Pitney Bowes	493.8	55	5	47½	3.23	14.7	1.30	9.0	1.04	2.2	16.04	3,711
839	Pittston	–30.2	35	8	17⅞	0.76	23.5	0.41	1.8	0.20	1.1	11.58	678
NR	PNC Financial	NA	51	15	42½	5.30	8.0	0.82	10.9	2.12	5.0	27.96	3,688
402	Polaroid	235.7	50	8	47	1.16	40.5	1.32	4.8	0.60	1.3	17.95	2,508

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406	Pope & Talbot	231.6	30	5	26⅝	3.59	7.4	0.51	6.9	0.60	2.3	13.75	314
666	Portland General	80.8	37	10	23½	1.76	13.4	1.37	10.4	1.96	8.3	19.06	1,083
605	Potlatch	115.0	42	9	32¼	4.60	7.0	0.72	10.8	1.20	3.7	25.08	868
349	Potomac Electric	289.2	30	5	22⅜	2.08	10.8	1.58	15.4	1.46	6.5	13.21	2,114
240	PPG Industries	424.7	54	6	37⅞	4.19	9.0	0.72	8.1	1.52	4.0	20.48	4,150
43	Precision Castparts	1295.2	41	2	31⅛	1.71	18.5	1.20	6.5	0.08	0.3	11.40	537
NR	Premark Intl	NA	42	17	31¼	2.61	12.0	0.42	3.6	0.84	2.7	22.27	1,059
819	Premier Bancorp	−12.7	19	3	4¾	−4.65	def	0.28	def	none	0.0	10.23	117
218	Premier Industrial	452.3	36	4	33¾	1.78	19.0	2.16	11.7	0.48	1.4	5.47	1,311
773	Preston	19.0	24	7	11½	0.73	15.8	0.11	0.7	0.50	4.3	19.77	66
18	Price Co	2273.5[a]	56	†	45½	2.36	19.3	0.46	2.4	none	0.0	9.73	2,243
803	Prime Computer	−1.6	33	5	7¼	−2.81	def	0.23	def	none	0.0	11.06	355
NR	Primerica	NA	35	17	27¾	3.48	8.0	0.61	6.0	0.32	1.2	20.28	2,664
385	Procter & Gamble	248.8	67	15	64¾	4.04	16.0	0.97	6.3	1.80	2.8	21.09	20,978
24	Progressive	1854.2	43	1	42¼	3.93	11.2	0.83	7.7	0.44	1.0	15.51	1,137
483	Provident Life & Acc	181.9	29	6	26½	2.97	8.9	0.45	5.0	0.80	3.0	23.24	1,237
644	PS Group	91.7	43	15	34½	1.05	32.9	0.93	2.5	0.60	1.7	41.10	231
837	PSI Holdings	−28.3	28	6	16¾	1.85	9.1	0.86	9.5	0.80	4.8	8.73	904
638	Public Service Colo	94.4	26	11	26	2.75	9.5	0.79	9.1	2.00	7.7	16.49	1,364
870	Public Service NH	−74.0	20	2	4	0.04	100.0	0.28	0.2	none	0.0	7.52	169
834	Public Service NM	−24.7	39	10	13¾	−2.44	def	0.64	def	none	0.0	18.03	574
597	Pub Svc Enterprise	118.2	32	10	28	2.57	10.9	1.24	11.4	2.08	7.4	19.11	5,750
715	Puget Sound P&L	52.6	25	9	21¾	2.14	10.2	1.37	15.1	1.76	8.1	15.98	1,199
96	Quaker Oats	770.5	69	6	61¾	2.69	23.0	0.85	3.7	1.40	2.3	17.53	4,864
802	Quaker State	−1.6	32	9	15⅜	0.57	27.0	0.50	1.9	0.80	5.2	11.93	406
748	Quanex	29.7	30	3	15⅛	2.33	6.5	0.38	6.5	0.32	2.1	10.23	186
767	Quantum Chemical	20.8	107	18	34⅜	13.16	2.6	0.28	11.5	none	0.0	−17.67	792
541	Questar	143.9	46	12	36⅛	2.43	14.9	1.41	9.8	1.92	5.3	23.76	686
137	Ralston Purina	638.6	102	9	81¼	6.44	12.6	0.75	6.3	1.65	2.0	15.98	5,012
774	Ramada	18.2	15	4	9⅜	−0.78	def	0.70	def	none	0.0	7.43	388
672	Raychem	79.0	55	12	31⅝	1.01	31.3	1.02	3.2	0.32	1.0	20.84	1,115
575	Raytheon	129.1	85	28	76¾	7.86	9.8	0.58	5.9	2.20	2.9	31.96	5,094
NR	Reebok International	NA	25	2	16¾	1.29	13.0	1.07	8.3	0.30	1.8	6.12	1,892
NR	Reliance Group	NA	12	4	6	−0.74	def	0.12	def	0.32	5.3	4.91	447
214	Republic New York	456.0	58	8	47⅞	−1.40	def	0.57	def	1.28	2.7	37.18	1,438
NR	Rexene	NA	25	4	6⅛	NA	NA	0.29	8.9	1.00	16.3	7.09	189
681	Reynolds & Reynolds	75.2	42	8	24¾	2.53	9.8	0.78	4.5	0.80	3.2	10.61	471
432	Reynolds Metals	211.6	63	9	50⅝	9.54	5.3	0.45	8.9	1.80	3.6	37.77	2,735
NR	Richfood Holding	NA	12	6	7⅛	−0.43	def	0.06	def	none	0.0	4.05	76
516	Riggs National	154.8	42	8	23¼	2.97	7.8	0.48	6.1	1.25	5.4	23.41	320
200	Rite Aid	491.4	46	4	38⅜	2.35	16.4	0.53	3.2	0.82	2.1	15.35	1,601
463	Roadway Services	192.5	46	11	38¾	2.47	15.7	0.60	3.8	1.10	2.8	17.06	1,523
830	HH Robertson	−21.5	49	8	11⅞	−0.14	def	0.15	def	none	0.0	12.37	75
322	AH Robins	311.3	38	5	36½	1.83	19.9	0.96	4.8	none	0.0	−62.31	882
713	Rochester G&E	53.4	30	10	20⅞	1.75	11.9	0.80	7.5	1.50	7.2	17.69	643
312	Rochester Telephone	321.3	46	7	39½	2.19	18.0	1.71	9.7	1.42	3.6	14.52	906
355	Rockwell Intl	284.5	31	5	23¼	2.87	8.1	0.48	5.9	0.78	3.4	14.09	6,071
337	Rohm & Haas	299.0	53	5	32	2.97	10.8	0.81	7.5	1.20	3.8	18.14	2,129
465	Rohr Industries	189.5	39	4	20⅝	1.90	10.9	0.35	3.2	none	0.0	23.34	365
NR	Rollins	NA	23	6	17½	0.98	17.9	1.04	5.8	0.54	3.1	2.59	413
383	Rorer Group	252.4[a]	48	9	42⅞	2.14	20.0	1.24	6.2	0.84	2.0	14.14	1,364
199	Rose's Stores	493.4	23	1	7¾	0.41	18.9	0.10	0.6	0.16	2.1	10.13	153
NR	Ross Stores	NA	25	3	15¼	1.22	12.5	0.49	4.4	none	0.0	4.52	348
359	Rouse	282.8	30	4	26	0.23	113.0	2.57	2.9	0.56	2.2	1.41	1,244
76	Rubbermaid	904.5	36	2	35⅝	1.51	23.6	1.98	8.4	0.52	1.5	6.95	2,621
118	Ruddick	685.9	28	3	28	2.07	13.5	0.20	1.6	0.66	2.4	14.81	262
49	Russell	1244.1	25	1	23⅝	1.49	15.9	1.50	9.5	0.28	1.2	8.55	954
433	Ryder System	210.7	43	4	22	0.91	24.2	0.34	1.5	0.60	2.7	18.68	1,754
301	Rykoff-Sexton	331.7	30	3	21	1.67	9.9	0.15	1.5	0.60	2.9	18.91	198
162	Ryland Group	552.4	33	2	21	2.73	7.7	0.20	2.7	0.60	2.9	13.16	269
333	Safeco	301.4	39	7	37⅝	4.72	7.9	0.80	10.1	1.20	3.2	24.87	2,360
64	Safety-Kleen	982.3	40	2	33	1.35	24.4	2.40	9.9	0.36	1.1	6.49	1,099

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Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
448	St Paul Cos	200.6	62	15	61¼	7.31	8.4	0.75	9.4	2.20	3.6	43.47	2,840
265	Salem Carpet Mills	392.3	14	1	8	0.96	8.3	0.16	1.9	0.08	1.0	7.53	64
661	Salomon	82.7[b]	59	11	23¾	2.40	9.9	0.36	4.4	0.64	2.7	23.88	3,003
408	San Diego G&E	231.4	44	9	43½	3.02	14.4	1.20	8.9	2.70	6.2	22.00	2,432
NR	Santa Fe Pacific	NA	26	14	17¾	1.07	16.6	0.92	5.6	0.10	0.6	3.07	2,794
85	Sara Lee	817.4	63	4	59⅝	3.60	16.6	0.58	3.7	1.44	2.4	19.27	6,778
15	Savannah Foods	2447.8	46	1	44	2.92	15.0	0.56	3.7	0.72	1.6	10.06	588
887	Savin	–98.0	19	†	¼	–0.46	def	0.10	def	none	0.0	0.16	35
567	Scana	133.1	43	12	34⅜	3.03	11.3	1.25	11.0	2.46	7.2	22.23	1,385
424	SCEcorp	215.3	39	10	38⅝	3.51	11.0	1.24	11.2	2.56	6.6	23.18	8,439
245	Schering-Plough	421.8	80	12	79¼	4.03	19.7	2.86	14.5	1.80	2.3	14.91	8,913
797	Schlumberger	3.5	87	26	43⅛	1.76	24.5	2.17	8.9	1.20	2.8	11.59	10,253
33	A Schulman	1505.4	36	1	31	2.30	13.5	0.67	4.9	0.40	1.3	10.76	415
116	Schultz Sav-O Stores	713.6	19	1	16⅝	1.60	10.4	0.07	0.9	0.12	0.7	8.48	32
NR	Charles Schwab	NA	17	5	13½	0.48	28.1	0.68	2.6	0.12	0.9	6.26	343
179	SCI Systems	518.9	23	1	9⅝	0.33	29.2	0.19	0.7	none	0.0	8.11	201
493	Scientific-Atlanta	174.0	35	7	24¾	1.63	15.2	1.01	6.8	0.16	0.6	11.12	571
230	Scott Paper	435.7	53	6	48⅞	5.05	9.7	0.71	7.6	0.80	1.6	26.54	3,581
NR	EW Scripps	NA	27	14	23½	1.03	22.8	1.47	6.4	0.36	1.5	7.98	1,850
128	Seaboard	653.6	198	16	130	17.82	7.3	0.37	5.1	0.50	0.4	115.26	193
665	Seagate Technology	81.1[b]	46	4	13⅛	1.52	8.6	0.55	5.3	none	0.0	8.85	797
176	Seagram	522.1	87	11	84¼	6.74	12.5	1.92	15.2	1.40	1.7	50.65	8,275
610	Sears, Roebuck	110.4	60	14	37⅞	2.88	13.2	0.27	1.9	2.00	5.3	37.75	14,104
247	Seaway Food Town	421.5	25	3	22	1.67	13.2	0.20	0.7	0.36	1.6	6.46	101
381	Security Pacific	254.1	55	9	41½	6.13	6.8	0.48	7.4	2.28	5.5	31.52	4,665
342	Selective Insurance	295.1	28	4	18	3.01	6.0	0.48	8.0	0.96	5.3	15.72	245
352	Sequa	288.5	88	13	70¼	6.12	11.5	0.40	3.7	0.60	0.9	61.63	724
59	Service Corp Intl	1077.4	32	1	16⅛	1.04	15.5	1.05	7.4	0.56	3.5	10.71	778
651	Service Merchandise	87.9[c]	22	2	8⅜	1.55	5.4	0 13	2.4	0.05	0.6	7.62	419
9	Shaw Industries	3554.1	32	†	30	1.74	9.1	0.37	4.3	0.40	1.3	12.32	450
391	Shawmut National	245.4	32	4	22⅞	3.51	6.5	0.58	8.9	1.44	6.3	22.22	1,717
NR	Shearson Lehman	NA	34	12	15⅛	0.76	19.9	0.11	0.7	0.75	5.0	17.44	1,318
75	Sherwin-Williams	906.3	39	2	33½	2.50	13.4	0.69	5.1	0.70	2.1	13.97	1,442
NR	Shoney's	NA	13	6	11½	0.44	26.1	0.50	2.0	none	0.0	–10.38	420
224	Signet Banking	444.1	43	5	37¾	4.35	8.7	0.79	9.4	1.56	4.1	25.07	998
772	Skyline	19.4	31	8	13⅞	1.37	10.1	0.41	4.0	0.48	3.5	13.61	156
730	AO Smith	43.4	30	4	16¼	1.42	11.4	0.13	1.5	0.80	4.9	29.18	130
863	Smith International	–60.9	70	1	13⅜	–0.12	def	1.30	def	none	0.0	3.39	390
194	Smithfield Foods	500.0	21	1	12	0.68	17.6	0.11	0.7	none	0.0	6.31	83
NR	Smith's Food & Drug	NA	25	20	22¾	1.11	20.5	0.27	1.4	0.20	0.9	5.77	441
557	Snap-on Tools	138.1	47	8	32	2.66	12.0	1.48	12.4	1.08	3.4	12.35	1,309
362	Society	281.8	41	7	36¾	4.61	8.0	0.74	9.9	1.60	4.4	29.96	815
NR	Softsel Computer Prod	NA	8	5	6¾	0.77	8.8	0.14	1.7	none	0.0	3.11	79
704	Sonat	60.2	45	19	43¼	2.40	18.0	1.04	5.7	2.00	4.6	26.64	1,757
91	Sonoco Products	791.5	39	3	36½	2.36	15.5	0.97	6.2	0.84	2.3	10.36	1,601
807	Soo Line	–2.5	37	12	19½	0.14	139.3	0.34	0.3	none	0.0	28.32	185
257	South Carolina Natl	408.0	28	3	24⅛	2.69	9.0	0.82	9.2	0.72	3.0	18.19	524
553	Southdown	141.1	29	9	27¾	2.09	13.3	0.72	6.5	0.50	1.8	17.93	454
510	Southeast Banking	158.3	31	8	24¾	3.75	6.6	0.45	7.3	1.12	4.5	22.55	748
546	Southern Company	142.4	29	10	27⅞	2.82	9.9	1.20	12.1	2.14	7.7	21.20	8,795
260	So N England Telecom	405.9	90	14	86	6.02	14.3	1.61	11.2	3.24	3.8	36.96	2,686
277	SouthTrust	371.7	25	3	23⅛	2.69	8.6	0.87	9.8	0.96	4.2	16.20	636
285	Southwest Airlines	355.9	35	3	22⅛	2.60	8.5	0.70	8.1	0.14	0.6	18.15	692
718	Southwest Gas	51.1	27	7	17	1.87	9.1	0.57	6.7	1.40	8.2	16.49	319
NR	Southwestern Bell	NA	59	18	55⅝	3.67	15.2	1.94	12.8	2.60	4.7	28.31	16,712
551	Southwestern Pub Svc	141.2	38	9	29¼	2.45	11.9	1.50	13.5	2.20	7.5	15.26	1,197
NR	Sovran Financial	NA	45	16	38⅞	4.43	8.8	0.89	10.3	1.80	4.6	24.24	2,283
NR	Spiegel	NA	24	6	19⅝	1.30	15.1	0.64	4.1	0.20	1.0	6.88	1,020
NR	Sprague Technologies	NA	20	6	6⅞	–1.82	def	0.26	def	0.05	0.7	18.10	125
365	Springs Industries	276.0	45	6	35¼	3.86	9.1	0.33	3.6	1.20	3.4	30.67	622
633	SPS Technologies	97.1	60	10	48⅜	3.91	12.4	0.56	4.5	1.20	2.5	33.95	241
557	SPX	138.1[c]	45	7	32	4.96	6.5	0.69	9.7	1.00	3.1	25.87	486

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Sources: Forbes; William O'Neil & Co

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/ earnings ratio	Price/ sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
577	Square D	128.0	66	17	53	4.61	11.5	0.82	7.0	2.00	3.8	24.76	1,362
NR	SSMC	NA	37	11	31⅝	–5.34	def	0.38	def	none	0.0	26.56	224
361	Std Commercial	281.9	22	2	13¾	–0.68	def	0.12	def	0.52	3.8	16.94	113
NR	Standard Fedl Bank	NA	13	4	11	1.59	6.9	0.35	5.1	0.40	3.6	13.33	335
38	Standard Products	1383.5	45	1	28⅜	2.38	11.9	0.49	4.2	0.92	3.2	15.06	295
148	Standard Register	590.4	29	1	15¼	1.33	11.5	0.64	5.6	0.52	3.4	9.88	454
343	Standard Shares	294.6	110	21	109½	5.65	19.4	0.35	1.8	none	0.0	67.01	288
457	Standex International	196.3	27	5	24⅝	2.07	11.9	0.57	5.1	0.68	2.8	13.59	254
87	Stanhome	808.9	36	2	26⅛	2.15	12.2	0.98	8.2	0.68	2.6	7.93	521
520	Stanley Works	154.3	39	8	35½	2.65	13.4	0.78	5.9	1.08	3.0	16.76	1,519
17	State Street Boston	2364.8	41	1	38⅛	2.76	13.8	1.29	9.7	0.60	1.6	14.44	1,335
NR	Sterling Chemicals	NA	19	6	7⅝	2.45	3.1	0.71	22.6	1.00	13.1	1.51	458
295	Stewart & Stevenson	344.9	33	3	22	2.00	11.0	0.60	4.9	0.16	0.7	7.48	334
175	Stone Container	523.6	40	3	25½	5.50	4.6	0.31	6.8	0.72	2.8	17.74	1,529
884	Storage Technology	–92.7	404	9	12⅝	1.55	8.1	0.30	3.9	none	0.0	12.50	288
98	Strawbridge	770.0	45	3	36¾	3.13	11.8	0.34	2.9	1.10	3.0	25.06	309
NR	Student Loan	NA	54	8	48⅝	2.43	20.0	1.41	8.0	0.40	0.8	6.45	4,380
340	Subaru of America	296.3	39	1	6⅛	–1.42	def	0.17	def	none	0.0	4.32	297
NR	Sudbury	NA	15	4	5½	–1.09	def	0.14	def	none	0.0	4.48	70
NR	Sun Co	NA	43	28	39¼	3.26	12.0	0.43	3.6	1.80	4.6	31.24	4,177
NR	Sun Microsystems	NA	23	5	15⅝	0.57	27.4	0.69	2.4	none	0.0	7.88	1,312
680	Sundstrand	75.7	84	23	66¾	3.55	18.8	0.78	4.6	1.80	2.7	26.47	1,234
NR	SunTrust Banks	NA	28	13	22½	2.56	8.8	0.90	10.3	0.84	3.7	14.57	2,904
73	Super Food Services	906.8	22	2	20⅛	1.47	13.7	0.13	0.9	0.32	1.6	8.88	215
309	Super Valu Stores	325.2	30	4	25⅜	1.85	13.7	0.18	1.3	0.60	2.4	10.40	1,899
89	Syntex	804.5	55	3	46½	2.79	16.7	3.74	22.5	1.50	3.2	5.26	5,194
32	Sysco	1510.8	31	1	30⅜	1.07	28.3	0.39	1.6	0.20	0.7	7.07	2,761
701	Talley Industries	64.1	24	2	10½	2.16	4.9	0.23	6.5	0.50	4.8	11.34	98
NR	Talman Home Federal	NA	14	5	9	2.22	4.1	0.15	3.8	0.25	2.8	32.81	86
326	Tambrands	307.9	77	12	64¾	3.38	19.2	2.47	12.9	2.16	3.3	15.81	1,445
151	Tandem Computers	584.6	38	3	24¼	1.17	20.7	1.43	7.2	none	0.0	8.92	2,331
235	Tandy	428.0	65	6	41¼	3.65	11.3	0.84	7.6	0.60	1.5	20.65	3,561
NR	TBC	NA	14	2	13⅛	1.56	8.4	0.43	3.3	none	0.0	6.63	209
NR	TCF Financial	NA	18	6	12¾	1.59	8.0	0.16	2.1	0.40	3.1	22.26	91
442	TECO Energy	204.2	28	6	27	2.30	11.7	1.45	12.4	1.52	5.6	14.59	1,532
571	Tecumseh Products	129.8	160	52	142½	14.97	9.5	0.55	5.8	3.20	2.2	112.98	779
846	Tektronix	–43.6	43	16	16⅞	0.34	49.6	0.34	0.7	0.60	3.6	17.18	489
39	Tele-Communications	1369.1	22	†	17⅜	–0.48	def	2.17	def	none	0.0	3.42	6,136
NR	Telecom-USA	NA	40	11	29	1.24	23.4	1.17	5.4	none	0.0	6.23	769
282	Teledyne	363.0	390	60	330⅞	26.31	12.6	0.79	6.3	4.00	1.2	191.10	3,703
NR	Temple-Inland	NA	69	20	62¼	7.60	8.2	0.81	9.9	1.16	1.9	39.73	1,717
710	Tenneco	54.5	64	22	59⅞	6.97	8.6	0.55	7.1	3.04	5.1	24.73	7,593
777	Teradyne	15.5	39	6	10¼	0.10	102.5	0.59	0.6	none	0.0	9.68	295
847	Tesoro Petroleum	–43.8	32	7	10¾	–2.83	def	0.20	def	none	0.0	11.56	151
662	Texaco	82.7c	57	23	52¾	9.40	5.6	0.39	7.3	3.00	5.7	33.17	12,888
761	Texas Air	24.1	52	4	11⅝	–19.33	def	0.07	def	none	0.0	–5.62	485
683	Texas Industries	75.1	43	13	27½	–0.09	def	0.37	0.2	0.80	2.9	27.25	256
798	Texas Instruments	1.4	80	23	29¾	3.74	8.0	0.38	5.5	0.72	2.4	23.21	2,399
630	Texas Utilities	98.6	38	14	35¼	4.05	8.7	1.41	16.4	2.92	8.3	33.38	5,958
656	Textron	84.9	40	8	24⅜	3.00	8.1	0.28	3.6	1.00	4.1	27.53	2,071
NR	TGI Friday's	NA	18	5	14⅜	0.76	18.9	0.41	3.5	none	0.0	6.79	160
300	Thermo Electron	334.2	38	3	33⅛	1.29	25.7	1.01	4.0	none	0.0	10.42	577
NR	Thiokol	NA	16	12	13¾	0.94	14.6	0.23	1.6	0.30	2.2	12.39	264
582	Thomas & Betts	126.8	68	17	47⅝	3.26	14.6	1.51	10.4	2.00	4.2	18.57	808
815	Thorn Apple Valley	–9.1	10	3	7	1.02	6.9	0.03	0.6	none	0.0	13.64	17
821	TIE/Communications	–15.3	40	1	1⅜	–0.59	def	0.20	def	none	0.0	3.24	48
NR	Time Warner	NA	183	33	134½	0.45	298.9	1.32	0.4	1.00	0.7	23.97	7,625
338	Times Mirror	298.7	53	7	36⅜	2.49	14.6	1.34	9.5	1.00	2.7	14.03	4,659
783	Timken	10.8	41	19	28¼	3.12	9.1	0.50	5.6	0.92	3.3	34.31	802
NR	TJX Cos	NA	19	14	16	1.14	14.0	0.44	3.2	0.40	2.5	9.67	900
871	Todd Shipyards	–77.3	42	1	5½	–18.90	def	0.07	def	none	0.0	–3.43	23
117	Tonka	710.9	32	1	16¼	1.51	10.8	0.14	1.3	none	0.0	11.09	128

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Sources: Forbes; William O'Neill & Co.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/earnings ratio	Price/sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
80	Torchmark	844.5	51	4	49	3.63	13.5	1.59	12.1	1.40	2.9	13.23	2,621
744	Toro	33.3	25	3	21	1.90	11.1	0.33	3.1	0.48	2.3	11.17	208
873	Tosco	–78.1	226	5	24⅜	0.69	35.3	0.23	2.2	0.60	2.5	8.40	287
20	Toys "R" Us	2176.4	40	1	38⅛	1.41	27.0	1.68	6.3	none	0.0	7.41	7,323
500	Transamerica	166.9	52	14	45⅜	3.95	11.5	0.50	4.6	1.92	4.2	33.06	3,413
805	Transco Energy	–1.7	64	18	42⅝	–0.84	def	0.48	def	1.36	3.2	20.49	1,297
609	Travelers	110.5	60	16	40⅛	5.42	7.4	0.34	4.7	2.40	6.0	45.33	4,089
NR	Tredegar Industries	NA	18	12	14¼	NA	NA	0.27	2.2	0.24	1.7	NA	171
NR	Tribune	NA	63	12	47½	3.05	15.6	1.47	9.9	0.88	1.9	16.28	3,554
501	Trinity Industries	166.7	46	9	32½	2.46	13.2	0.48	3.7	0.80	2.5	12.58	588
460	Trinova	195.4	44	6	23⅞	1.07	22.3	0.42	1.9	0.68	2.8	19.89	816
620	Trustcorp	104.5	44	9	26	–6.95	def	0.71	def	none	0.0	22.01	428
536	TRW	145.6	70	17	47⅛	4.18	11.3	0.40	3.6	1.72	3.6	25.50	2,839
NR	Tucson Electric	NA	65	12	21¼	–1.36	def	0.87	def	1.60	7.5	32.12	535
54	Turner Broadcasting	1142.9[a]	64	3	50½	–0.77	def	2.34	0.7	none	0.0	–6.22	2,322
625	Turner Corp	100.1	31	6	14⅛	0.20	70.7	0.02	0.0	1.00	7.1	11.13	61
NR	TW Services	NA	39	9	33¾	0.62	54.4	0.44	0.8	none	0.0	10.29	1,643
46	20th Century Inds	1269.2	30	1	22¼	3.26	6.8	0.83	12.1	0.48	2.2	9.35	571
44	Tyco Laboratories	1285.9	53	2	49⅜	2.42	20.4	0.99	4.7	0.32	0.6	11.69	2,074
10	Tyson Foods	3317.0	26	†	24½	1.55	15.8	0.62	4.0	0.04	0.2	5.35	1,563
104	UAL	744.7	294	13	189	18.18	10.4	0.42	3.5	none	0.0	56.74	4,083
743	UGI	33.6	40	16	36¾	3.08	11.9	1.16	10.8	2.25	6.1	22.32	363
253	UJB Financial	412.5	33	3	23⅝	2.71	8.7	0.87	10.4	1.16	4.9	17.02	1,027
869	UNC	–73.9	28	3	5⅞	0.93	6.3	0.22	3.5	none	0.0	7.93	99
677	Union Bank	77.8	37	10	26¾	3.97	6.7	0.52	8.2	1.32	4.9	21.98	815
509	Union Camp	158.9	48	12	36¼	4.59	7.9	0.90	11.4	1.48	4.1	22.66	2,494
694	Union Carbide	68.8[c]	33	11	23⅝	4.91	4.8	0.37	7.8	1.00	4.2	13.34	3,252
562	Union Electric	135.4	32	9	28¼	2.35	12.0	1.46	13.2	2.08	7.4	18.56	2,885
621	Union Pacific	103.1	96	29	73⅜	5.63	13.0	1.17	9.7	2.20	3.0	39.69	7,397
NR	Union Texas Petrol	NA	19	5	16	1.47	10.9	1.42	18.1	0.20	1.3	2.04	1,341
853	Unisys	–48.8	48	9	13⅜	–3.55	def	0.21	def	1.00	7.5	23.92	2,134
729	United Banks of Colo	44.2	36	11	21	0.81	25.9	0.51	2.4	0.20	1.0	25.54	317
287	United Brands	355.2	20	2	16½	1.93	8.5	0.17	2.0	0.20	1.2	10.38	637
NR	United HealthCare	NA	16	2	11¾	0.52	22.6	0.58	2.7	none	0.0	0.84	221
709	United Illuminating	55.0	36	9	32¾	–4.79	def	0.86	def	2.32	7.1	34.11	455
851	United Merchants	–47.8	22	2	3⅛	–8.24	def	0.06	def	none	0.0	4.14	28
414	US Bancorp	227.8	33	6	31	2.98	10.4	0.96	9.2	1.00	3.2	19.13	1,529
NR	US Healthcare	NA	23	1	14⅞	0.42	35.4	0.75	2.2	0.23	1.5	3.07	679
875	US Home	–79.8	21	1	1⅛	–0.11	def	0.08	def	none	0.0	4.43	55
169	US Shoe	537.6	35	2	19	1.14	16.7	0.34	2.1	0.46	2.4	11.60	846
491	United Stationers	175.8[b]	29	4	15	1.60	9.4	0.24	2.6	0.40	2.7	9.79	231
522	United Technologies	153.5	61	15	54½	5.07	10.7	0.36	3.4	1.60	2.9	36.88	7,127
341	United Telecom	296.2	44	7	39⅛	3.10	12.6	1.10	8.8	1.00	2.6	9.06	8,030
NR	Univar	NA	18	4	15⅝	1.15	13.7	0.20	1.5	0.30	1.9	6.57	273
347	Universal	291.9	39	7	36½	2.76	13.2	0.21	1.6	1.40	3.8	16.92	618
197	Universal Foods	495.2	26	2	25⅛	1.60	15.7	0.74	4.8	0.68	2.7	7.18	622
825	Universal Health	–18.3[b]	30	3	7⅜	0.56	13.2	0.19	1.4	none	0.0	10.68	108
560	Unocal	136.9	29	7	26½	1.82	14.5	0.63	4.3	0.70	2.6	9.26	6,186
NR	UNUM	NA	46	15	43⅜	3.68	11.8	0.83	8.3	0.60	1.4	30.42	1,554
280	Upjohn	369.8	54	6	37	2.02	18.3	2.34	12.8	1.00	2.7	9.83	6,855
NR	US West	NA	75	27	71¼	5.66	12.6	1.37	10.9	3.76	5.3	42.63	13,013
255	USAir Group	409.1	55	6	35	1.29	27.1	0.25	1.0	0.12	0.3	47.28	1,532
714	USF&G	53.2	49	15	29½	0.63	46.8	0.52	1.5	2.80	9.5	23.75	2,424
NR	USG	NA	8	2	3	1.17	2.6	0.07	2.9	none	0.0	–27.26	162
454	Uslico	197.0	31	6	22½	2.81	8.0	0.60	7.5	1.00	4.4	26.29	244
657	USLife	84.4	50	14	42⅞	4.56	9.4	0.61	6.7	1.48	3.5	52.77	721
77	UST Inc	884.2	31	2	27⅜	1.59	17.2	4.64	28.5	0.92	3.4	4.12	3,011
635	USX	96.5	40	14	34⅜	3.17	10.8	0.52	5.1	1.40	4.1	19.38	8,905
315	UtiliCorp United	319.3	21	4	20⅝	1.97	10.5	0.64	6.6	1.44	7.0	15.24	436
770	Valero Energy	20.3	44	4	14⅛	1.08	13.1	0.59	5.1	0.20	1.4	13.02	507
NR	Valhi	NA	18	5	15⅝	1.12	14.0	0.76	5.4	0.20	1.3	2.73	1,780
844	Valley National	–39.9	50	12	12⅜	–5.95	def	0.21	def	none	0.0	31.29	249

Note: Except as indicated, price changes are from Dec. 31, 1979 to Nov. 15, 1989. †Less than $1. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. Range is for period since such change. a: Nine-year price change. b: Eight-year price change. c: Does not reflect special cash dividend paid. NA: Not available. NM: Not meaningful. NE: Negative equity. def: Deficit.

Sources: Forbes; William O'Neill & Co.

Rank	Company	10-year price change %	1980-89 price range high	1980-89 price range low	Recent price	Latest 12-mos earnings per share $	Price/earnings ratio	Price/sales ratio	Net profit margin %	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
110	Valmont Industries	735.7	18	1	17½	1.69	10.4	0.25	2.5	0.26	1.5	7.22	192
37	Valspar	1412.5	41	1	30¼	1.97	15.4	0.68	4.4	0.44	1.5	8.92	339
725	Varian Associates	45.5	63	10	22	1.53	14.4	0.35	2.3	0.26	1.2	20.81	477
874	Varity	–79.2	12	1	2⅛	0.29	7.3	0.20	3.4	none	0.0	1.56	439
58	VF	1099.8	48	2	32¼	2.59	12.5	0.76	7.0	1.00	3.1	16.05	1,876
NR	Viacom	NA	65	10	58⅝	2.18	26.9	2.23	10.8	none	0.0	6.32	3,129
131	Village Super Market	650.0	25	1	15	1.52	9.9	0.07	0.8	0.15	1.0	15.49	46
NR	Vista Chemical	NA	64	17	38¼	8.56	4.5	0.49	15.4	1.80	4.7	9.26	379
801	Volt Info Sciences	–0.7	34	6	12¼	0.51	24.0	0.16	0.7	none	0.0	14.43	76
NR	Vons Cos	NA	24	6	14¾	–1.17	def	0.11	def	none	0.0	5.53	571
231	Vulcan Materials	433.3	49	7	43½	3.32	13.1	1.63	12.4	1.12	2.6	15.56	1,773
NR	VWR	NA	28	8	18¼	1.57	11.6	0.17	1.4	0.80	4.4	13.57	99
NR	Waban	NA	20	12	12½	NA	NA	0.19	1.2	none	0.0	1.66	352
302	Wackenhut	329.7	40	4	22⅜	1.40	16.0	0.19	1.2	0.60	2.7	7.91	86
6	Wal-Mart Stores	3767.4	44	†	42	1.72	24.4	0.98	4.0	0.22	0.5	5.32	23,755
71	Walgreen	925.5	50	3	42⅝	2.50	17.1	0.49	2.9	0.80	1.9	11.59	2,622
125	Wallace Computer Services	665.2	29	2	27½	1.76	15.6	1.36	8.6	0.40	1.5	11.53	582
840	Wang Laboratories	–32.8	43	4	5⅜	–3.05	def	0.32	def	none	0.0	6.90	882
149	Warner Commun	590.0	68	8	63⅞	0.97	65.9	1.95	3.3	0.68	1.1	9.69	10,632
222	Warner-Lambert	447.5	116	17	109½	5.87	18.7	1.79	9.6	2.56	2.3	14.73	7,424
507	Washington Gas Light	160.7	30	9	29	2.43	11.9	0.74	6.3	1.96	6.8	19.91	557
NR	Washington Mutual	NA	27	3	19⅝	1.95	10.1	0.46	4.5	0.40	2.0	23.21	296
716	Washington National	52.2	40	12	25⅞	–0.72	def	NA	NA	1.08	4.2	32.03	279
47	Washington Post	1269.0	311	15	287½	14.31	20.1	2.58	12.8	1.84	0.6	67.50	3,698
28	Waste Management	1701.5	67	3	65⅞	2.34	28.2	3.52	12.6	0.60	0.9	9.85	14,903
NR	Weirton Steel	NA	15	12	12⅛	0.81	15.0	0.18	1.3	0.64	5.3	15.93	242
184	Weis Markets	508.4	42	4	30½	1.89	16.1	1.11	6.9	0.56	1.8	11.23	1,385
193	Wells Fargo	500.0	88	9	80⅝	10.52	7.7	0.77	10.5	3.60	4.5	41.38	4,237
641	Wendy's Intl	92.2	18	1	5	0.26	19.2	0.46	2.4	0.24	4.8	4.36	481
574	Western Digital	129.3	33	2	6⅞	0.64	10.8	0.21	1.9	none	0.0	10.38	200
NR	Western Publishing	NA	25	8	19⅞	1.09	18.2	0.79	4.5	none	0.0	8.46	398
886	Western Union	–97.7	54	†	½	–7.49	def	0.04	def	none	0.0	–10.54	27
144	Westinghouse	611.8	75	9	71⅝	5.89	12.2	0.80	6.7	2.40	3.4	26.36	10,312
822	Westmoreland Coal	–15.5	33	13	23¼	1.63	14.3	0.32	2.2	none	0.0	16.88	192
449	Westvaco	200.3	38	7	27¼	3.45	7.9	0.77	9.8	1.00	3.7	20.39	1,762
250	Wetterau	415.3	32	4	29⅝	1.90	15.6	0.14	0.9	0.60	2.0	10.60	701
762	Weyerhaeuser	24.0	40	15	26½	2.94	8.9	0.50	5.9	1.20	4.6	18.74	5,346
NR	Wheelabrator Tech	NA	43	35	38⅝	NA	NA	NA	NA	none	0.0	NA	150,251
831	Wheeling-Pittsburgh	–21.9	40	5	13⅜	26.90	0.5	0.06	12.7	none	0.0	–56.23	68
422	Whirlpool	216.1	42	7	29⅝	1.82	16.3	0.37	2.3	1.10	3.7	19.06	2,053
276	Whitman	372.7	41	4	29¼	1.81	16.2	0.76	5.4	1.02	3.5	8.44	3,010
NR	Wholesale Club	NA	17	2	12¾	0.62	20.6	0.12	1.0	none	0.0	4.47	57
598	Wicor	117.3	25	7	23½	2.33	10.1	0.43	4.3	1.40	6.0	16.86	318
444	Willamette Inds	203.5	64	9	50	7.05	7.1	0.68	9.6	1.45	2.9	29.38	1,271
775	Williams Cos	16.8	50	12	37⅜	0.58	64.4	0.87	1.6	1.40	3.7	23.61	1,421
393	Winn-Dixie Stores	244.0	59	14	56½	3.49	16.2	0.24	1.5	1.98	3.5	19.61	2,256
563	Winnebago Industries	135.3	24	1	5	–0.19	def	0.28	def	0.20	4.0	5.88	123
351	Wisconsin Energy	288.6	32	6	29⅝	2.47	12.0	1.32	11.0	1.66	5.6	18.95	1,996
499	Wisconsin Public Svc	169.1	32	6	23⅜	2.01	11.6	0.90	8.3	1.62	6.9	16.24	542
447	Witco	200.6	47	9	40¾	3.55	11.5	0.57	5.3	1.72	4.2	25.69	913
278	FW Woolworth	371.6	72	7	59¼	4.61	12.9	0.44	3.5	1.88	3.2	28.59	3,792
325	Worthington Inds	308.3	26	4	24½	1.54	15.9	0.98	6.2	0.56	2.3	7.99	983
495	WPL Holdings	171.9	30	7	24⅛	1.68	14.4	1.06	7.4	1.68	7.0	15.65	643
130	Wm Wrigley Jr	651.0	52	4	47¼	2.66	17.8	1.94	10.8	0.80	1.7	7.77	1,877
778	Wyle Laboratories	14.5	20	3	9¼	0.61	15.2	0.23	1.5	0.28	3.0	9.26	94
793	Wyman-Gordon	5.6	38	11	14¼	–0.03	def	0.75	def	0.80	5.6	14.27	254
NR	Wyse Technology	NA	40	4	10⅛	–2.74	def	0.37	def	none	0.0	9.88	150
810	Xerox	–7.2	85	27	57⅝	3.72	15.5	0.30	2.4	3.00	5.2	52.22	5,265
388	Yellow Freight Sys	246.6	43	5	25⅛	2.24	11.2	0.33	3.0	0.76	3.0	15.78	723
745	Zenith Electronics	32.1	39	7	12⅞	–1.00	def	0.18	def	none	0.0	18.84	344
498	Zenith National Ins	169.7	30	5	18⅛	2.14	8.5	0.83	9.7	0.84	4.6	13.90	387
366	Zurn Industries	274.6	44	7	38⅝	2.16	17.9	0.85	4.8	0.76	2.0	16.86	472

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Sources: Forbes; William O'Neil & Co.

WHO'S WHERE IN PROFITABILITY

Over the past decade, America's largest corporations had an average annual return on equity of 14.3%. That's pretty good, and if business was slowing last year, you wouldn't know it from the overall results that come up in our survey.

By Gustave Lombo

CORPORATIONS WILL BE releasing their fourth-quarter results over the next few weeks, capping an exceptionally profitable decade for U.S. business. The median company in our survey had a ten-year average return on equity of 14.3%. Although various economic indicators are pointing to a business slowdown, major corporations have yet to show serious signs of faltering: Over the latest 12 months, the median company in this survey earned 14.4% on its equity.

Liz Claiborne, a designer and marketer of apparel, has shown the best long-term profitability. Note the footnote next to Claiborne's ten-year average return on equity. It indicates that Liz Claiborne's average annual profitability of 51.8% covers only a nine-year period. This company went public in 1981, so a ten-year history of financial data is not available. If we couldn't obtain at least eight years' worth of data, long-term profitability was not calculated. Judging by Liz Claiborne's 32.8% return on equity for the latest 12 months, the company is not faltering, but the garment business is like show business: This year's hit can be next year's bomb.

Apple Computer has a ten-year average return on equity of 36.6%. After a pause in the middle of the decade, Apple has come back strong, making major inroads in the business market with its innovative Macintosh line. For the latest 12 months, Apple's return on equity is 43.2%.

Return on equity is one of the most useful yardsticks in analyzing corporate performance, but it should always be interpreted in the context of other financial data. For example, McCormick & Co. ranked 391 by ten-year average return on equity, but it increased its latest 12-months return on equity to 45.4%. Although the firm earned $5.93 a share, $3.72 came from discontinued real estate operations. Also, companies that pay special cash dividends out of capital in a restructuring can distort results. The numbers are a guide, not a bible.

Company	rank	Return on equity 10-year average %	Return on equity Latest 12 months %
Liz Claiborne	1	51.8[a]	32.8
Rollins	2	47.2[a]	37.8
Price Co	3	40.5[a]	24.3
Limited	4	39.9	33.0
Commerce Clearing	5	39.7	18.9
Kellogg	6	38.9	31.6
General Motors EDS	7	37.9	30.1
Highland Superstores	8	37.3[b]	def
Student Loan	9	37.1	37.7
Apple Computer	10	36.6	43.2
Wal-Mart Stores	11	35.5	32.3
CBS	12	35.4	11.1
Pic'N'Save	13	35.2	20.9
American Home Prods	14	35.0	33.7
Marsh & McLennan	15	34.8	38.3
PSI Holdings	16	34.7	21.2
Corroon & Black	17	34.6	17.2
Consolidated Stores	18	33.7[b]	7.8
Geico	19	33.6	22.7
Ralston Purina	20	33.6	40.3
Bandag	21	33.0	46.9
Holly Corp	22	32.9	67.2
Jostens	23	32.6	26.5
Washington Post	24	32.4	21.2
UST Inc	25	32.4	38.6
Best Buy Co	26	32.1	1.0
Deluxe	27	32.1	26.3
Syntex	28	31.2	47.9
Dun & Bradstreet	29	31.0	27.4
Food Lion	30	30.8	29.9
Merck	31	30.8	50.3
Circuit City Stores	32	30.6	25.8
Lockheed	33	30.4	8.3

NA: Not available. NE: Negative equity. def: Deficit. a: Nine-year average. b: Eight-year average.

Company	rank	Return on equity 10-year average %	Return on equity Latest 12 months %
Abbott Laboratories	34	30.4	33.8
Marion Laboratories	35	30.0	15.1
Progressive	36	29.9	25.3
NIKE	37	29.8	37.8
Dow Jones	38	29.7	27.6
20th Century Inds	39	29.5	34.9
Oshkosh Truck	40	29.2[b]	11.0
Tambrands	41	29.1	21.4
Mark IV Industries	42	29.0	21.8
Cray Research	43	28.9	17.5
Kelly Services	44	28.9	29.9
Charming Shoppes	45	28.8	19.2
Philip Morris Cos	46	28.4	31.6
Columbia S&L Assn	47	28.4[a]	def
Tyson Foods	48	27.8	29.0
Blair	49	27.6	29.7
General Cinema	50	27.5	158.7
Golden West Finl	51	27.2	17.1
Gillette	52	27.0	NE
Tandy	53	26.8	18.8
EG&G	54	26.7	21.2
Gap	55	26.7	34.3
Coca-Cola	56	26.5	39.4
VF	57	26.3	16.1
Safety-Kleen	58	26.1	20.8
Comdisco	59	25.6	23.6
Standard Products	60	25.3	16.5
Intergraph	61	25.2[a]	12.5
Chemed	62	25.1	16.9
Molex	63	25.1	14.8
CDI	64	24.8	24.6
Pall	65	24.8	17.5
Subaru of America	66	24.7	def
Family Dollar Stores	67	24.6	12.9
Bruno's	68	24.6[b]	18.7
Chrysler	69	24.5	19.2
Humana	70	24.4	21.7
Loews	71	24.3	24.4
Ryland Group	72	24.2	20.7
Burlington Coat	73	24.2	12.2
H&R Block	74	24.2	24.1
Cardinal Distribution	75	24.1	13.5
Brunswick	76	24.0	def
Equifax	77	23.9	17.7
PepsiCo	78	23.7	27.9
Fuqua Industries	79	23.6[b]	def
Hasbro	80	23.5	12.0
Hartford Steam Boiler	81	23.5	27.3
Melville	82	23.4	21.0
Marriott	83	23.3	32.5
HJ Heinz	84	23.2	26.3
Giant Food	85	23.2	24.8
Eli Lilly	86	23.1	26.1
Ford Motor	87	23.0	22.0
Browning-Ferris Inds	88	22.9	24.7
National Education	89	22.9	9.7
Smithfield Foods	90	22.9[a]	10.8
General Dynamics	91	22.9	16.6
Mercury General	92	22.8[b]	11.6
Toys "R" Us	93	22.8	19.0
Waste Management	94	22.7	23.8
Martin Marietta	95	22.6	21.4
Times Mirror	96	22.6	17.7
TBC	97	22.6	23.5
McDonald's	98	22.5	20.8
Dean Foods	99	22.4	21.9
Rite Aid	100	22.4	15.3
First Financial Mgmt	101	22.3[a]	14.0
Manor Care	102	22.2	11.8
USG	103	22.2	NE
Handleman	104	22.2	22.2
Olsten	105	22.1	24.9
Rouse	106	22.1	16.3
Philips Industries	107	22.0	17.7
Betz Laboratories	108	22.0	23.4
New York Times	109	22.0	38.7
Gannett	110	21.9	21.8
ConAgra	111	21.9	23.2
Stanhome	112	21.9	27.1
Precision Castparts	113	21.9	15.0
Homestead Financial	114	21.9	def
PH Glatfelter	115	21.9	27.9
HON Industries	116	21.8	32.9
Rorer Group	117	21.8[a]	15.1
Premier Industrial	118	21.7	29.2
Getty Petroleum	119	21.7	23.7
Herman Miller	120	21.7	15.7
Super Valu Stores	121	21.6	17.8
Snap-on Tools	122	21.6	21.5
Kay Jewelers	123	21.6[b]	11.7
Anheuser-Busch Cos	124	21.5	24.4
Rubbermaid	125	21.5	21.7
McGraw-Hill	126	21.5	20.9
Rockwell Intl	127	21.4	20.4
Raytheon	128	21.4	24.6
Tyco Laboratories	129	21.4	24.4
Arden Group	130	21.4	35.9
Lance	131	21.4	20.3
Worthington Inds	132	21.4	20.5
Albertson's	133	21.3	23.5
Johnson & Johnson	134	21.3	30.4
Walgreen	135	21.3	21.6
Freeport-McMoRan	136	21.3	18.4
Ecolab	137	21.2	8.5
Nalco Chemical	138	21.1	23.5
First Union	139	20.9	15.0
Shaw Industries	140	20.9	30.8
Wm Wrigley Jr	141	20.9	34.2
CPC International	142	20.9	27.0
CR Bard	143	20.8	22.6
Valspar	144	20.8	22.1
AMP	145	20.7	19.6
Shoney's	146	20.7	NE
Pitney Bowes	147	20.6	20.1
Air Express Intl	148	20.5	20.7
American Family	149	20.5	12.7
Savannah Foods	150	20.5	29.1
Leucadia National	151	20.4[a]	12.0
Pfizer	152	20.4	16.8
Phillips-Van Heusen	153	20.3	43.5
Quaker Oats	154	20.3	16.2
State Street Boston	155	20.3	19.1
Minn Mining & Mfg	156	20.2	22.4
Hershey Foods	157	20.2	16.2
Nacco Industries	158	20.2	17.9
Medtronic	159	20.2	21.1
IBM	160	20.2	14.0
Intl Flavors & Frags	161	20.1	19.8
Consolidated Papers	162	20.1	22.4
Clorox	163	20.1	16.8
Sara Lee	164	20.0	21.2
AG Edwards	165	20.0	17.5
Great Lakes Chemical	166	20.0	24.7
Flowers Industries	167	20.0	13.1
Warner-Lambert	168	19.9	39.9
Florida Rock Inds	169	19.9	17.3
Bob Evans Farms	170	19.9	15.8
Nordstrom	171	19.8	20.4
Dover	172	19.8	19.9
Genuine Parts	173	19.8	22.6
American Brands	174	19.7	23.1
Interpublic Group	175	19.7	20.8
Zenith National Ins	176	19.7	15.4
Sequa	177	19.7	9.9
Emerson Electric	178	19.7	21.0
Torchmark	179	19.6	27.4
American Stores	180	19.6	7.3
Hannaford Bros	181	19.5	21.1
Alexander & Baldwin	182	19.5	38.0
Brown-Forman	183	19.5	30.5
Masco	184	19.4	15.4
Union Carbide	185	19.4	36.8
Leggett & Platt	186	19.4	18.1
American Intl Group	187	19.3	19.5
Westinghouse	188	19.2	22.3
Sonoco Products	189	19.2	22.8
Hillenbrand Inds	190	19.2	20.5
Dillard Dept Stores	191	19.2	16.0
Weis Markets	192	19.1	16.8
Stone Container	193	19.1	31.0
Automatic Data	194	19.0	20.1
United Stationers	195	19.0[b]	16.3
Upjohn	196	19.0	20.5
Vulcan Materials	197	18.9	21.3
Circle K	198	18.9	1.3
Universal	199	18.9	14.5
A Schulman	200	18.8	21.4
Loral	201	18.8	16.5
E-Systems	202	18.7	16.2
General Electric	203	18.7	20.4
Emerson Radio	204	18.7	15.4
Loctite	205	18.7	26.2
Aon	206	18.6	16.3
CoreStates Financial	207	18.6	17.4
Southwestern Pub Svc	208	18.5	16.1
Cincinnati Financial	209	18.5[a]	14.2
Schering-Plough	210	18.5	27.0
Wallace Computer	211	18.5	17.4
Hilton Hotels	212	18.4	14.4
Hubbell	213	18.3	20.5
Russell	214	18.3	17.4
Selective Insurance	215	18.3	19.1
Capital Cities/ABC	216	18.3	14.8

NA: Not available. NE: Negative equity. def: Deficit. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN PROFITABILITY

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
Enstar Group	217	18.2	def
Bancorp Hawaii	218	18.2	18.6
RR Donnelley & Sons	219	18.2	16.8
Apogee Enterprises	220	18.2	16.6
Sovran Financial	221	18.2[b]	18.3
Midlantic	222	18.2	18.5
Fleetwood Enterprises	223	18.1	17.9
Winn-Dixie Stores	224	18.1	18.5
Thomas & Betts	225	18.1	17.6
Dow Chemical	226	18.0	37.6
Illinois Tool Works	227	18.0	20.8
Nucor	228	18.0	18.7
Newell Co	229	18.0	20.0
Sysco	230	17.9	16.4
National Service	231	17.9	16.9
Banta	232	17.9	19.8
Hechinger	233	17.9[a]	9.7
James River Corp Va	234	17.8	10.9
Barnett Banks	235	17.8	16.5
Blount	236	17.8	47.8
SouthTrust	237	17.8	16.6
Pep Boys	238	17.7	13.5
PNC Financial	239	17.7	19.0
Old Kent Financial	240	17.7	16.9
Exxon	241	17.7	12.4
Standard Register	242	17.6	13.5
First American Finl	243	17.6	6.4
Square D	244	17.6	18.6
Kimball International	245	17.6	15.8
Kimberly-Clark	246	17.6	21.9
Sherwin-Williams	247	17.5	17.9
Pioneer Hi-Bred Intl	248	17.5	17.0
UAL	249	17.5	32.0
Southdown	250	17.5	11.7
PPG Industries	251	17.4	20.5
Longview Fibre	252	17.4	21.4
Walt Disney	253	17.4	28.8
Curtice Burns Foods	254	17.4	16.9
Rohm & Haas	255	17.3	16.4
Guilford Mills	256	17.3	12.6
Alaska Air Group	257	17.3	15.0
Pentair	258	17.3	14.4
Hanover Insurance	259	17.2	14.3
Dibrell Brothers	260	17.2	23.4
Warner Commun	261	17.2	10.0
Knight-Ridder	262	17.2	28.1
Citizens & Southern	263	17.1	18.0
Signet Banking	264	17.1[b]	17.4
Cooper Tire & Rubber	265	17.1	21.0
PHM	266	17.0	24.6
Federal Paper Board	267	17.0	35.0
Bowater	268	17.0[a]	18.3
Hercules	269	17.0	6.6
Hewlett-Packard	270	17.0	18.2
Longs Drug Stores	271	16.9	18.8
Collins Foods Intl	272	16.9	13.5
Block Drug	273	16.9	14.3
Schultz Sav-O Stores	274	16.8	18.9
Banc One	275	16.8	17.0
Mapco	276	16.8	19.3
Bausch & Lomb	277	16.8	17.1

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
Quantum Chemical	278	16.7	NE
PHH	279	16.7	14.7
Mercantile Stores	280	16.7	14.4
Tucson Electric	281	16.7[a]	def
Salomon	282	16.7	10.1
Tribune	283	16.7	18.7
Household Intl	284	16.6	19.9
Safeco	285	16.6	19.0
La-Z-Boy Chair	286	16.6	14.2
Potomac Electric	287	16.6	15.7
WW Grainger	288	16.6	17.6
General Re	289	16.6	22.4
SCI Systems	290	16.5	4.3
Capital Holding	291	16.5	21.4
Kaman	292	16.4	4.5
NCR	293	16.4	18.6
UtiliCorp United	294	16.4	12.9
Goodyear	295	16.3	12.2
Willamette Inds	296	16.3	24.0
Lubrizol	297	16.3	23.0
Federal Express	298	16.3	10.6
Ames Dept Stores	299	16.3	0.8
Wetterau	300	16.3	17.9
Modine Manufacturing	301	16.2	13.4
Equitable Resources	302	16.2	9.3
May Dept Stores	303	16.2	16.8
Prime Computer	304	16.1[a]	def
Litton Industries	305	16.1	15.4
Figgie Intl	306	16.1	17.3
Old Republic Intl	307	16.1	8.2
BayBanks	308	16.1	14.1
Meredith	309	16.1	8.8
Atlantic Richfield	310	16.1	31.3
NCNB	311	16.0	19.1
Bank of New England	312	16.0[a]	12.0
Ryder System	313	16.0	4.9
First of America Bank	314	16.0[a]	15.5
Colgate-Palmolive	315	15.9	30.0
TRW	316	15.9	16.4
Bergen Brunswig	317	15.9	19.3
Berkshire Hathaway	318	15.9	13.4
Rohr Industries	319	15.9	8.9
Goulds Pumps	320	15.8	13.3
Borden	321	15.8	def
Yellow Freight Sys	322	15.8	14.2
Crestar Financial	323	15.8	15.0
Marshall & Ilsley	324	15.8	16.3
Ipalco Enterprises	325	15.8	14.1
Computer Sciences	326	15.8	14.1
Peoples Energy	327	15.8	15.8
Raychem	328	15.7	5.0
Dayton Hudson	329	15.7	17.8
Phillips Petroleum	330	15.7	28.8
Alco Standard	331	15.7	28.5
Super Food Services	332	15.7	16.6
CNA Financial	333	15.7	20.4
National City	333	15.7[a]	19.8
General Host	335	15.7	def
Marshall Industries	336	15.7	16.1
Laclede Gas	337	15.7	12.7
Minnesota Power & Lt	338	15.6	18.3

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
MNC Financial	339	15.6	18.3
Boeing	340	15.6	14.3
Ball Corp	341	15.6	5.6
South Carolina Natl	342	15.6	14.8
Wisconsin Energy	343	15.6	13.0
MDC Holdings	344	15.6	def
Alltel	345	15.6[a]	16.4
Avery International	346	15.6	16.6
LB Foster	347	15.6	7.5
Millipore	348	15.6	14.4
Petrie Stores	349	15.5	5.0
Centel	350	15.5	24.8
Kansas Power & Light	351	15.5	11.8
Dominion Bankshares	352	15.5[b]	16.2
Diebold	353	15.5	9.6
WPL Holdings	354	15.5	10.7
Bankers Trust NY	355	15.4	def
Central & So West	356	15.4	10.9
Northern Telecom	357	15.4	7.0
AmSouth Bancorp	358	15.4	15.4
Campbell Soup	359	15.4	1.4
SCEcorp	360	15.4	15.1
San Diego G&E	361	15.4	13.7
No States Power	362	15.4	12.8
Kellwood	363	15.3	19.4
HB Fuller	364	15.3	8.6
Baltimore G&E	365	15.3	12.9
National Medical	366	15.3	14.5
Caesars World	367	15.3	29.7
Consol Freightways	368	15.3	10.0
Culbro	369	15.2	def
Helene Curtis Inds	370	15.2	13.0
Carolina Freight	371	15.2	7.3
Chubb	372	15.2	16.9
JP Morgan & Co	373	15.2	def
Procter & Gamble	374	15.2	20.3
GenCorp	375	15.1	NE
Stanley Works	376	15.1	15.8
Cincinnati G&E	377	15.1	17.3
Amoco	378	15.1	12.5
Lomas Financial	379	15.1	def
Morrison	380	15.1	18.7
Bank of New York	381	15.1	def
Moore Corp	382	15.1	15.7
Washington Gas Light	383	15.1	12.2
Whirlpool	384	15.0	9.5
Republic New York	385	15.0	def
Dexter	386	15.0	14.1
KeyCorp	387	15.0	14.9
Tandem Computers	388	15.0	13.1
Scott Paper	389	15.0	19.0
Carlisle Cos	390	15.0	11.0
McCormick & Co	391	14.9	45.4
Wisconsin Public Svc	392	14.9	12.4
K mart	393	14.9	14.6
Bindley Western Inds	394	14.9[a]	8.1
Reynolds & Reynolds	395	14.9	23.8
Florida Progress	396	14.9	14.6
Cincinnati Bell	397	14.9	16.8
Digital Equipment	398	14.9	12.6
Iowa-Illinois G&E	399	14.9	13.1

NA: Not available. NE: Negative equity. def: Deficit. a: Nine-year average. b: Eight-year average.

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
Merrill Lynch	400	14.9	12.1
Analog Devices	401	14.8	11.4
Texas Utilities	402	14.8	12.1
Universal Foods	403	14.8	22.3
Allegheny Power	404	14.8	13.1
Lowe's Cos	405	14.8	13.0
Gerber Products	406	14.7	28.3
Meridian Bancorp	407	14.7[b]	13.9
Roadway Services	408	14.7	14.5
Commonwealth Ener	409	14.7	12.6
TECO Energy	410	14.7	15.8
Armstrong World Inds	411	14.7	16.0
Witco	412	14.7	13.8
Seaway Food Town	413	14.7	25.9
Ohio Casualty	414	14.6	19.2
Gt Northern Nekoosa	415	14.6	22.9
Becton Dickinson	416	14.5	22.2
First Tennessee Natl	417	14.5	8.0
Delchamps	418	14.5[b]	13.9
Southwest Airlines	419	14.5	14.3
Eaton	420	14.5	18.9
Maxxam	421	14.4	58.3
American General	422	14.4	11.1
Strawbridge	423	14.4	12.5
Huntington Bcshs	424	14.4	16.6
Security Pacific	425	14.4	19.4
Kemper	426	14.3	20.7
Union Electric	427	14.3	12.7
Rochester Telephone	428	14.3	15.1
Paccar	429	14.3	21.3
Scana	430	14.3	13.6
Eastman Kodak	431	14.3	13.3
Amdahl	432	14.3	16.8
Piedmont Natural Gas	433	14.3	14.8
Contel	434	14.3	16.0
Ogden	435	14.2	17.5
Fay's	436	14.2	19.6
Western Digital	437	14.2	6.5
Carter-Wallace	438	14.2	16.1
Fleming Cos	439	14.2	12.1
Brooklyn Union Gas	440	14.2	13.2
Society	441	14.2	15.4
Union Camp	442	14.2	20.3
Unlico	443	14.2	10.7
Seaboard	444	14.1	15.5
Northeast Utilities	445	14.1	12.3
Dixie Yarns	446	14.1	7.5
USAir Group	447	14.1	2.7
INB Financial	448	14.1	14.9
Village Super Market	449	14.1	10.7
JC Penney	450	14.0	19.3
Consolidated Edison	451	14.0	13.3
Delmarva Power & Lt	452	14.0	12.5
American Natl Ins	453	14.0	6.6
Southern Company	454	14.0	13.3
Oklahoma G&E	455	14.0	13.8
Bank of Boston	456	13.9	7.1
Coastal Corp	457	13.9	13.6
Tecumseh Products	458	13.9	13.3
Duke Power	459	13.8	12.2
Orange & Rockland	460	13.8	12.0

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
Houston Industries	461	13.8	9.4
Commonwealth Ed	462	13.8	9.2
Parker Hannifin	463	13.8	11.4
Dollar General	464	13.8	10.0
SPX	465	13.8	19.2
Southwest Gas	466	13.7	11.3
Illinois Power	467	13.7	def
So N England Telecom	468	13.7	16.3
FPL Group	469	13.7	13.1
Rose's Stores	470	13.7	4.0
Johnson Controls	471	13.6	10.9
Wackenhut	472	13.6	17.7
Wells Fargo	473	13.6	25.4
Bemis	474	13.6	18.0
Consol Natural Gas	475	13.6	9.5
Ruddick	476	13.6	14.0
American Greetings	477	13.6	8.5
Carl Karcher	478	13.6	28.8
Pope & Talbot	479	13.5	26.1
US Bancorp	480	13.5	15.6
Geo A Hormel	481	13.5	16.7
Tonka	482	13.5	13.6
Mead	483	13.5	14.1
Atlantic Energy	484	13.5	13.6
Marsh Supermarkets	485	13.5	15.5
Nash Finch	486	13.4	8.1
Esselte Business Sys	487	13.4[a]	12.2
Echlin	488	13.4	7.0
Crown Cork & Seal	489	13.4	14.7
El Paso Electric	490	13.4	def
Provident Life & Acc	491	13.4	12.8
WR Berkley	492	13.3	18.6
Comerica	493	13.3	12.1
Enron	494	13.3	7.4
NBD Bancorp	495	13.2	16.7
NCH	496	13.2	19.7
DWG	497	13.2	def
Air Prods & Chems	498	13.2	17.4
General Motors	499	13.2	14.6
Dennison Mfg	500	13.2	13.2
Foremost Corp of Amer	501	13.1	11.0
Kentucky Utilities	502	13.1	13.5
Westvaco	503	13.1	16.9
Fremont General	504	13.1	4.5
CILcorp	505	13.1	14.4
Louisville G&E	506	13.0	12.9
Intel	507	13.0	16.4
Intl Multifoods	508	13.0	9.8
United Telecom	509	13.0	34.2
Public Service Colo	510	13.0	16.7
Dominion Resources	511	13.0	11.7
Dana	512	13.0	16.1
Paramount Commun	513	12.9	16.2
Pub Svc Enterprise	514	12.9	13.4
Ohio Edison	515	12.9	8.7
American Cyanamid	516	12.9	15.9
McKesson	517	12.9	13.1
New England Electric	518	12.9	10.9
Baxter International	519	12.9	11.0
Archer Daniels	520	12.9	15.6
Midwest Energy	521	12.9	18.1

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
Durr-Fillauer	522	12.9	18.7
Central Ill Pub Svc	523	12.9	13.6
Transamerica	524	12.8	11.9
GTE	525	12.8	15.9
Trinova	526	12.8	5.4
DPL	527	12.8	15.2
American Electric	528	12.8	14.5
National Fuel Gas	529	12.8	12.3
Anacomp	530	12.8	9.5
Salem Carpet Mills	531	12.8	12.7
MCI Communications	532	12.8[a]	56.2
Wendy's Intl	533	12.8	6.0
NY State E&G	534	12.7	12.4
Valmont Industries	535	12.7	23.4
Service Corp Intl	536	12.7	9.7
Harcourt Brace	537	12.7	NE
Owens & Minor	538	12.7	5.7
EI du Pont de Nemours	539	12.7	16.4
Independent Insurance	540	12.6	10.8
Iowa Resources	541	12.6	11.9
Seagram	542	12.6	13.2
Delta Air Lines	543	12.6	20.1
Jamesway	544	12.6	3.8
Federal-Mogul	545	12.6	11.0
Pennsylvania P&L	546	12.6	13.3
Lincoln Electric	547	12.6	15.7
United Technologies	548	12.6	13.7
McDonnell Douglas	549	12.6	3.9
Florida Natl Banks	550	12.6	def
Arkla	551	12.6	def
Carolina Power & Lt	552	12.5	14.2
Kansas City P&L	553	12.5	10.7
Chevron	554	12.5	8.8
Corning	555	12.5	14.8
Textron	556	12.4	10.9
St Paul Cos	557	12.4	16.8
Briggs & Stratton	558	12.4	def
Engelhard	559	12.4	11.5
Philadelphia Elec	560	12.4	12.7
Rochester G&E	561	12.3	9.9
Northrop	562	12.3	def
Commerce Bcshs	563	12.3	14.9
Central Steel & Wire	564	12.3	15.4
Cooper Industries	565	12.3	14.1
Holiday	566	12.3	NE
Chesapeake	567	12.3	18.7
FW Woolworth	568	12.2	16.1
Rykoff-Sexton	569	12.2[a]	10.2
Motorola	570	12.2	14.5
Wicor	571	12.1	13.8
Ashland Oil	572	12.1	8.1
Zurn Industries	573	12.1	12.8
Toro	574	12.1	18.2
HF Ahmanson	575	12.1	10.3
Lancaster Colony	576	12.1	16.7
Standex International	577	12.0	15.2
PaineWebber Group	578	11.9	2.5
Mobil	579	11.9	11.6
Centex	580	11.9	13.3
Std Commercial	581	11.9	def
Pacific Enterprises	582	11.9	10.7

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WHO'S WHERE IN PROFITABILITY

Company	rank	Return on equity	
		10-year average %	Latest 12 months %
CalMat	583	11.9[b]	12.3
Hartmarx	584	11.9	7.8
Jefferson-Pilot	585	11.8	9.6
Service Merchandise	586	11.8	20.4
Winnebago Industries	587	11.8	def
Manufacturers Natl	588	11.8	18.2
Gt Western Financial	589	11.8	11.9
Interlake	590	11.8	4.8
Universal Health	591	11.8	5.2
IE Industries	592	11.8	11.9
AMR	593	11.7	15.9
BMA	594	11.7	14.7
Natl Convenience	595	11.7	def
DQE	596	11.7	10.8
Ferro	597	11.7	15.8
Alberto-Culver	598	11.7	21.8
Comstar Intl	599	11.7	21.7
Aetna Life & Cas	600	11.7	10.8
Grumman	601	11.6	9.2
US Shoe	602	11.6	9.8
Central Hudson G&E	603	11.6[a]	10.9
Puget Sound P&L	603	11.6	13.4
Southeast Banking	605	11.5	16.6
Brown Group	606	11.5	3.0
MCA	607	11.5	11.6
Kroger	608	11.5	NE
Atlanta Gas Light	609	11.5	10.0
Portland General	610	11.5	9.2
Firstar	611	11.5	16.9
Georgia-Pacific	612	11.4	24.9
Montana Power	613	11.4	9.7
Potlatch	614	11.4	10.3
American Bankers	615	11.4	9.9
Citicorp	616	11.4	20.5
Wang Laboratories	617	11.4	def
Long Island Lighting	618	11.3	def
United Illuminating	618	11.3	def
Media General	620	11.3	def
Airborne Freight	621	11.3	10.6
USF&G	622	11.3	2.7
American Water Works	623	11.3	9.3
Harsco	624	11.3	def
Pinnacle West	625	11.3	def
Monarch Capital	626	11.3	4.3
Bassett Furniture Ind	627	11.3	7.2
Lincoln National	628	11.2	11.1
Hawaiian Electric	629	11.2	12.0
Questar	630	11.2	10.2
Edison Bros Stores	631	11.2[b]	23.0
Niagara Mohawk Pwr	632	11.2	3.7
Hughes Supply	633	11.2	9.7
Barnes Group	634	11.1	12.4
Arvin Industries	635	11.1	1.7
Sears, Roebuck	636	11.1	7.6
AM Castle & Co	637	11.1	14.2
Intermark	638	11.0	def
Unocal	639	11.0	19.7
Nashua	640	10.9	9.6
Norfolk Southern	641	10.9	12.6
General Public Utils	642	10.8	13.9
Dart Group	643	10.8	7.5
Entergy	644	10.8	def
Gulf States Utils	645	10.7	def
General Development	646	10.7[b]	1.8
Union Bank	647	10.7	18.1
Centerior Energy	648	10.7[b]	def
Greyhound	649	10.7	10.3
Commercial Metals	650	10.6	16.6
Healthco Intl	651	10.6	6.2
Perkin-Elmer	652	10.6	def
Turner Corp	653	10.6	1.8
Central Maine Power	654	10.6	9.5
Trustcorp	655	10.5	def
Pacific G&E	656	10.5	3.3
American Building	657	10.5	13.3
PS Group	658	10.5	2.6
Riggs National	659	10.5	12.7
Michigan National	660	10.5	29.1
Chase Manhattan	661	10.4	def
Chemical Banking	662	10.4	def
USLife	663	10.4	8.6
Monsanto	664	10.3	17.0
Kansas Gas & Elec	665	10.3	9.2
Harris Corp	666	10.3	2.8
Schlumberger	667	10.3	15.2
Valley National	668	10.2	def
Mitchell Energy	669	10.2	2.7
Bell Industries	670	10.1	4.9
Outboard Marine	671	10.0	12.1
ITT	672	10.0	10.5
Alcan Aluminium	673	10.0	22.4
CityFed Financial	674	9.9	def
Xerox	675	9.9	7.1
Cabot	676	9.9	2.4
Equitable of Iowa	677	9.9	9.4
Weyerhaeuser	678	9.9	15.7
International Paper	679	9.8	18.8
Allied-Signal	680	9.8	15.7
Public Service NH	681	9.7	0.5
Thermo Electron	682	9.7	12.4
Diversified Energies	683	9.7	8.9
Avnet	684	9.7	8.1
Texas Industries	685	9.6	def
Oneok	686	9.6	11.4
Mercantile Bancorp	687	9.6	def
Oxford Industries	688	9.6	9.8
Detroit Edison	689	9.6	def
Nortek	690	9.5	def
FMC	691	9.5	NE
Boise Cascade	692	9.5	17.3
Ameritrust	693	9.5	15.8
Unisys	694	9.5	def
Scientific-Atlanta	695	9.4	15.5
Occidental Petroleum	696	9.4	3.5
Liberty Corp	697	9.4	5.6
Union Pacific	698	9.4	14.2
DeSoto	699	9.3	def
Foster Wheeler	700	9.2	7.0
United Brands	701	9.2	18.6
Kennametal	702	9.2	15.6
American Petrofina	703	9.1	15.0
Alcoa	704	9.1	21.8
Charter	705	9.1	4.4
Norwest	706	9.0	19.6
Interco	707	9.0	NE
General Signal	708	8.9	15.3
SPS Technologies	709	8.9	11.5
Continental Corp	710	8.9	def
Springs Industries	711	8.9	12.6
Mfrs Hanover	712	8.8	def
Genesco	713	8.8	24.6
Multimedia	714	8.7	NE
Coachmen Industries	715	8.7	def
Champion Intl	716	8.6	13.5
Trinity Industries	717	8.6	19.6
Tektronix	718	8.4	1.7
Northern Trust	719	8.4	23.8
Volt Info Sciences	720	8.4	3.5
Tele-Communications	721	8.3	def
Sundstrand	722	8.3	13.4
Lone Star Industries	723	8.3	4.4
Ingersoll-Rand	724	8.2	15.1
First Security	725	8.2	10.6
Bearings	726	8.2	14.5
Tenneco	727	8.2	28.2
Landmark Land	728	8.1	def
Foodarama Supermkts	729	8.0	3.6
Reynolds Metals	730	8.0	25.3
United Banks of Colo	731	7.9	3.2
Skyline	732	7.9	10.5
Carpenter Technology	733	7.8	9.7
UGI	734	7.7	13.8
Quaker State	735	7.6	4.8
Grow Group	736	7.6	14.8
Lukens	737	7.5	20.3
Wyman-Gordon	738	7.4	def
Nicor	739	7.3	18.2
First Chicago	740	7.2	17.1
Olin	741	7.2	16.6
Noland	742	7.2	3.7
Eastern Enterprises	743	7.1	12.3
Great A&P Tea	744	7.1	14.5
Columbia Gas System	745	7.1	8.1
Beverly Enterprises	746	7.1	def
GATX	747	7.0	20.9
Lafarge	748	7.0[a]	14.4
CSX	749	7.0	12.9
Handy & Harman	750	6.9	8.4
KN Energy	751	6.9	def
Public Service NM	752	6.9	def
Newmont Mining	753	6.8	NE
Stewart & Stevenson	754	6.8	26.7
M/A-Com	755	6.8	0.1
Varian Associates	756	6.7	7.4
Penn Central	757	6.7	9.6
Sonat	758	6.6	9.0
WR Grace	759	6.6	15.9
AVX Corp	760	6.5	6.4
Phelps Dodge	761	6.5	35.0
Bally Manufacturing	762	6.4	4.7
Jacobs Engineering	763	6.3	24.0
Nipsco Industries	764	6.3	11.9
Preston	765	6.3	3.7

NA: Not available. NE: Negative equity. def: Deficit. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN PROFITABILITY

		Return on equity	
Company	rank	10-year average %	Latest 12 months %
Adolph Coors	766	6.2	3.3
First Interstate Bncp	767	6.1	14.0
Owens-Corning	768	6.1	NE
CRS	769	6.0	21.2
Beneficial Corp	770	6.0	13.8
Crown Central Pet	771	6.0	13.3
Wyle Laboratories	772	5.9	6.6
Comcast	773	5.9	def
General Instrument	774	5.8	15.8
Butler Manufacturing	775	5.8	10.3
Guy F Atkinson	776	5.7[b]	def
Inco	777	5.7	93.4
Norton	778	5.6	16.0
Teradyne	779	5.5	1.0
American Maize	780	5.5	2.9
Fieldcrest Cannon	781	5.4	7.7
Polaroid	782	5.4	6.5
Black & Decker	783	5.4	11.3
First Bank System	784	5.4	def
Santa Fe Pacific	785	5.4[a]	34.9
Caterpillar	786	5.3	13.5
Di Giorgio	787	5.2	11.2
Transco Energy	788	5.2	def
Hadson	789	5.1[b]	def
AO Smith	790	5.1	4.9
Intl Minerals & Chem	791	5.1	10.9
Tosco	792	5.1	8.2
Quanex	793	4.9	22.8
Earle M Jorgensen	794	4.8	10.4
Murphy Oil	795	4.8	6.7
Perini	796	4.8	1.4
Kerr-McGee	797	4.7	10.7
Imperial Corp of Am	798	4.6	def
Asarco	799	4.4	18.4
Williams Cos	800	4.4	2.5
Amerada Hess	801	4.4	21.4
Louisiana Land	802	4.4	7.5
Washington National	803	4.4	def
Kansas City Southern	804	4.3	def
Dresser Industries	805	4.2	10.5
Halliburton	806	4.1	4.6
Dallas Corp	807	4.1	1.9
Thorn Apple Valley	808	4.0	8.7
Balfour Maclaine	809	3.7	6.3
CMS Energy	810	3.6	18.7
Valero Energy	811	3.5	8.3
Texaco	812	3.1	28.3
Orion Capital	813	3.1	17.6
AMC Entertainment	814	2.8	21.4
Cummins Engine	815	2.7	def
Copperweld	816	2.6	17.5
Deere & Co	817	2.6	14.5
Data General	818	2.5	def
Great American Mgmt	819	2.5[a]	0.3
Zenith Electronics	820	2.5	def
BF Goodrich	821	2.4	15.0
Honeywell	822	2.4	def
Alexander's	823	2.1	23.1
Allied Products	824	2.1	def
AMAX	825	2.0	34.3
Timken	826	2.0	9.1
Premier Bancorp	827	1.8[a]	def
Soo Line	828	1.8	0.5
Talley Industries	829	1.6	19.0
Inland Steel Inds	830	1.4	11.3
Natl Semiconductor	831	1.4	def
Cross & Trecker	832	1.2	def
Combustion Eng	833	0.8	def
Avon Products	834	0.7	33.3
Fluor	835	0.4	17.0
Ramada	836	0.4	def
Cincinnati Milacron	837	0.3	8.9
Allen Group	838	0.3	16.6
National-Standard	839	def	def
UNC	840	def	11.7
USX	841	def	16.4
Morrison Knudsen	842	def	def
Enserch	843	def	7.1
Panhandle Eastern	844	def	def
TIE/Communications	845	def	def
Mack Trucks	846	def	def
First Pennsylvania	847	def	18.2
Perry Drug Stores	848	def	0.9
BankAmerica	849	def	23.1
Mellon Bank	850	def	14.8
Midway Airlines	851	def[b]	6.2
Orion Pictures	852	def	8.6
Harnischfeger Inds	853	def	10.1
Pittston	854	def	6.6
MA Hanna	855	def	19.6
Foxboro	856	def	7.5
Clark Equipment	857	def	12.1
Kerr Glass Mfg	858	def	def
Westmoreland Coal	859	def	9.7
Fischbach	860	def	def
Control Data	861	def	def
Horn & Hardart	862	def[a]	def
Ampco-Pittsburgh	863	def	def
Arrow Electronics	864	def[a]	def
Bethlehem Steel	865	def	14.9
US Home	866	def	def
McDermott Intl	867	def	def
HH Robertson	868	def	def
National Intergroup	869	def[a]	5.3
Harken Energy	870	def	0.8
Armco	871	def	20.5
Tesoro Petroleum	872	def	def
Datapoint	873	def	def
Lionel	874	def	1.6
Continental Bank	875	def	23.2
Amdura	876	def	8.0
Inspiration Resources	877	def[a]	6.8
Mattel	878	def	51.6
Dravo	879	def	def
United Merchants	880	def	def
Smith International	881	def	def
Wheeling-Pittsburgh	882	def	NE
Grossman's	883	def	16.5
Navistar Intl	884	def	18.1
Todd Shipyards	885	def	NE
Eagle-Picher Inds	886	def	NE
Savin	887	def	def
Ideal Basic Inds	888	def	def
LVI Group	889	def	def
Texas Air	890	def	NE
LTV	891	def[a]	NE
Allegheny Intl	892	def	NE
Varity	893	def	18.6
Storage Technology	894	def	12.4
Western Union	895	def	NE
Pan Am	896	def	NE
AH Robins	897	def	NE
Acme Steel		NA	13.9
Adia Services		NA	14.4
Advanced Micro		NA	def
ADVO-System		NA	11.1
Affiliated Pubs		NA	62.6
Albany International		NA	23.0
Alexander & Alexander		NA	16.1
Alleghany		NA	9.8
Allegheny Ludlum		NA	57.2
AM International		NA	12.5
AmBase		NA	8.8
America West Airlines		NA	21.7
American Capital		NA	def
American Express		NA	23.1
American President		NA	4.0
American Tel & Tel		NA	def
AmeriFirst Bank		NA	def
Ameritech		NA	15.5
Ametek		NA	19.7
Anchor Savings Bank		NA	def
Argonaut Group		NA	18.8
Aristech Chemical		NA	25.0
AST Research		NA	def
Atari		NA	def
Atlantic Financial		NA	def
Avondale Industries		NA	2.1
Baker Hughes		NA	8.1
Baroid		NA	3.7
Bear Stearns Cos		NA	17.9
Beckman Instruments		NA	18.4
Bell Atlantic		NA	14.9
BellSouth		NA	13.6
Benj Franklin S&L		NA	5.8
Boatmen's Bancshares		NA	8.1
Boston Edison		NA	9.6
Bristol-Myers Squibb		NA	28.0
Broad		NA	2.8
Burlington Northern		NA	20.7
Burlington Resources		NA	15.0
Businessland		NA	17.0
Cablevision Systems		NA	NE
CalFed		NA	5.5
Carnival Cruise Lines		NA	28.4
Carter Hawley Hale		NA	NE
Casey's General Store		NA	9.1
Castle & Cooke		NA	11.9
CBI Industries		NA	4.4
Central Newspapers		NA	14.2
CenTrust Savings Bank		NA	def
Child World		NA	4.5
Cigna		NA	9.5

NA: Not available. NE: Negative equity. def: Deficit. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN PROFITABILITY

Company	rank	Return on equity 10-year average %	 Latest 12 months %
Circus Circus		NA	50.0
Coast Savings Finl		NA	def
Coca-Cola Enterprises		NA	6.7
Commercial Federal		NA	3.7
Commtron		NA	17.0
Commun Trans		NA	def
Compaq Computer		NA	38.7
Computer Associates		NA	37.7
Conseco		NA	57.7
Consolidated Rail		NA	7.6
Costco Wholesale		NA	22.5
Crane		NA	15.5
CrossLand Savings FSB		NA	def
Crystal Brands		NA	11.9
Cyclops Industries		NA	115.9
Cyprus Minerals		NA	26.4
Dairy Mart		NA	3.9
Danaher		NA	28.0
Delta Woodside Inds		NA	26.0
Diamond Shamrock		NA	22.1
Dime Sav Bank FSB		NA	2.3
Drug Emporium		NA	19.0
Empire of America		NA	def
Ethyl		NA	25.1
Federal Natl Mortgage		NA	30.1
FHP International		NA	34.9
Fin Cp Santa Barbara		NA	def
Finevest Foods		NA	def
Fireman's Fund		NA	8.3
First American Corp		NA	4.0
First Capital Holding		NA	26.9
First Executive		NA	2.3
First Fidelity Bncp		NA	def
First Wachovia		NA	16.7
FirstFed Michigan		NA	1.3
Fleet/Norstar Finl		NA	18.5
Florida Federal		NA	def
Fruit of the Loom		NA	34.8
Gaylord Container		NA	26.8
General Mills		NA	45.0
GM Hughes Electron		NA	3.2
Genlyte Group		NA	32.9
Georgia Gulf		NA	74.7
Gibson Greetings		NA	20.4
Gitano Group		NA	29.2
GlenFed		NA	9.4
Goldome		NA	def
Great American Bank		NA	def
Harley-Davidson		NA	26.2
Harman International		NA	19.9
Henley Group		NA	0.0
Hills Dept Stores		NA	def
Himont		NA	18.6
Home Depot		NA	24.2
Home Shopping		NA	def
HomeFed		NA	11.8
Hudson Foods		NA	26.9
IBP		NA	9.1

Company	rank	Return on equity 10-year average %	 Latest 12 months %
ICH		NA	def
IMC Fertilizer Group		NA	23.5
Imo Industries		NA	10.7
Imperial Holly		NA	29.8
Ingles Markets		NA	12.7
InterTAN		NA	21.9
Itel		NA	1.5
JWP		NA	23.2
K-H Corp		NA	NE
Kaufman & Broad		NA	25.7
Kentucky Central Life		NA	0.0
Lands' End		NA	30.9
Leslie Fay Cos		NA	21.0
Lone Star Tech		NA	def
Lotus Development		NA	20.3
Louisiana-Pacific		NA	14.7
LPL Technologies		NA	81.8
Lyondell Petrochem		NA	0.0
Magma Copper		NA	18.8
MagneTek		NA	34.5
MAI Basic Four		NA	def
Manville		NA	18.6
Masco Industries		NA	16.2
Maxus Energy		NA	def
Maytag		NA	24.1
MCN		NA	18.6
Medco Containment		NA	5.9
Meritor Savings Bank		NA	def
Fred Meyer		NA	11.8
MGM/UA Commun		NA	def
Microamerica		NA	10.1
Micron Technology		NA	32.5
Microsoft		NA	37.6
MLX		NA	1.1
MMR Holding		NA	def
Morgan Products Ltd		NA	0.5
Morgan Stanley		NA	27.0
Morton International		NA	10.6
Neiman Marcus Group		NA	1.1
NL Industries		NA	125.5
Northeast Savings FA		NA	def
NWNL		NA	0.0
Nynex		NA	12.6
Omnicom Group		NA	21.4
Oracle Systems		NA	44.2
Oryx Energy		NA	7.8
PACE Membership		NA	9.0
Pacific Telesis		NA	14.6
PacifiCare Health		NA	24.6
PacifiCorp		NA	14.4
Pathe Commun		NA	def
Penn Traffic		NA	def
Pennzoil		NA	17.0
People's Bank		NA	0.0
Petroleum Heat & Pwr		NA	def
Pilgrim's Pride		NA	29.8
Premark Intl		NA	11.7
Primerica		NA	17.2

Company	rank	Return on equity 10-year average %	 Latest 12 months %
Reebok International		NA	21.1
Reliance Group		NA	def
Rexene		NA	0.0
Richfood Holding		NA	def
Ross Stores		NA	27.0
Charles Schwab		NA	7.7
EW Scripps		NA	12.9
Seagate Technology		NA	17.1
Shawmut National		NA	15.8
Shearson Lehman		NA	4.4
Smith's Food & Drug		NA	19.2
Softsel Computer Prod		NA	24.8
Southwestern Bell		NA	13.0
Spiegel		NA	18.9
Sprague Technologies		NA	def
SSMC		NA	def
Standard Fedl Bank		NA	11.9
Standard Shares		NA	8.4
Sterling Chemicals		NA	162.3
Sudbury		NA	def
Sun Co		NA	10.4
Sun Microsystems		NA	8.8
SunTrust Banks		NA	17.6
Talman Home Federal		NA	6.8
TCF Financial		NA	7.1
Telecom-USA		NA	19.9
Teledyne		NA	13.8
Temple-Inland		NA	19.1
Texas Instruments		NA	16.1
TGI Friday's		NA	11.2
Thiokol		NA	7.0
Time Warner		NA	1.9
TJX Cos		NA	11.8
Travelers		NA	12.0
Tredegar Industries		NA	0.0
Turner Broadcasting		NA	NE
TW Services		NA	6.0
UJB Financial		NA	15.9
Union Texas Petrol		NA	72.1
United HealthCare		NA	61.9
US Healthcare		NA	13.7
Univar		NA	17.4
UNUM		NA	12.1
US West		NA	13.3
Valhi		NA	41.0
Viacom		NA	34.5
Vista Chemical		NA	92.4
Vons Cos		NA	def
VWR		NA	11.6
Waban		NA	0.0
Washington Mutual		NA	8.4
Weirton Steel		NA	5.1
Western Publishing		NA	12.9
Wheelabrator Tech		NA	0.0
Whitman		NA	21.4
Wholesale Club		NA	13.9
Wyse Technology		NA	def

NA: Not available. NE: Negative equity. def: Deficit. a: Nine-year average. b: Eight-year average.

WHO'S WHERE IN THE INDUSTRY GROUPS

Health and food and beverage firms were the stars of the 1980s.

By Steve Kichen

American industry did not solve all its problems during the 1980s, but it finished the decade in pretty good shape. The median company in this survey had an average return on equity slightly over 14% for both the full ten-year period and the most recent five-year period. And there was not much change over the latest 12 months: The median company's return on equity was 14.4%.

The health industry had the highest ten-year profitability, 18.7%. It also had the second-best 12-month return, 18.4%. (The forest products and packaging industry, at 18.8%, had the best 12-month results.) What lies ahead in the 1990s? An aging population as well as new medical discoveries would seem to augur well for the health industry once again.

The materials industry, which had a median ten-year average return on equity of only 7.7%, ranks last. The industry was pulled down by steel and nonferrous metals companies, which had respective ten-year profitabilities of 4.8% and 6.9%.

	Profitability						Growth							
	Return on equity						Sales				Earnings per share			
Industry (number of companies)	rank	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	rank	10-year average %	5-year average %	latest 12 mos %	rank	10-year average %	5-year average %	latest 12 mos %
Health (39)	1	**18.7**	**17.8**	**18.4**	**14.7**	**20.6**	7	**12.5**	**12.7**	**8.8**	5	**10.2**	**11.0**	**15.2**
Drugs (19)		20.1	20.7	19.3	16.1	7.3		10.1	11.4	8.6		10.5	11.0	18.2
Health care services (9)		15.3	14.8	14.5	13.1	48.2		34.0	14.1	16.9		NM	NM	83.0
Medical supplies (11)		14.5	16.5	17.1	14.7	23.7		10.9	13.0	8.8		10.2	15.6	3.1
Food, drink & tobacco (63)	2	**18.4**	**17.5**	**17.8**	**12.8**	**32.3**	10	**9.6**	**10.6**	**10.6**	3	**11.4**	**12.7**	**12.3**
Food processors (35)		20.0	20.3	20.3	14.0	28.0		9.1	9.2	10.3		10.6	14.0	14.8
Food distributors (13)		15.7	13.4	12.1	9.3	45.5		14.9	13.1	11.9		11.5	10.6	10.9
Beverages (7)		20.5	20.2	24.4	13.9	27.3		9.2	10.9	5.5		12.7	16.1	12.2
Tobacco (8)		19.3	19.2	23.2	13.0	29.3		11.2	13.6	12.9		14.5	10.8	5.1
Entertainment & information (43)	3	**17.3**	**17.8**	**15.2**	**12.8**	**31.6**	6	**12.7**	**12.7**	**6.8**	4	**10.7**	**8.0**	**12.2**
Broadcasting & cable (8)		8.7	2.2	def	9.6	81.3		34.4	36.8	14.3		7.7	NM	P-D
Movies (10)		12.9	18.4	13.9	11.0	42.5		11.0	17.0	15.7		5.2	19.8	25.4
Publishing (22)		18.2	20.9	18.2	13.3	26.2		12.4	10.0	5.1		11.8	10.4	11.0
Advertising (3)		19.7	13.7	20.8	17.8	22.2		12.9	14.7	9.2		10.2	3.8	17.1
Business services & supplies (41)	4	**16.7**	**17.1**	**16.6**	**12.0**	**27.3**	2	**13.8**	**14.6**	**8.6**	6	**10.0**	**12.2**	**15.2**
Business services (8)		16.7	17.5	16.2	13.0	29.6		16.3	15.3	8.4		7.1	2.1	17.3
Business supplies (22)		15.7	16.4	15.7	11.4	23.8		11.9	12.4	7.8		9.8	10.1	6.8
Industrial services (11)		21.2	23.4	20.8	12.5	38.5		16.8	17.9	18.5		11.8	20.4	18.4
Retailing (111)	5	**16.7**	**16.5**	**14.4**	**11.3**	**35.2**	4	**13.3**	**13.0**	**11.3**	1	**12.8**	**11.1**	**12.7**
Department Stores (11)		14.4	15.3	14.4	10.4	40.1		9.5	7.3	6.1		13.3	10.6	37.6
Apparel (13)		17.7	16.2	19.2	12.2	28.3		14.1	12.6	12.7		10.9	9.6	22.6
Drug & discount (22)		16.0	16.1	14.2	11.7	35.4		15.0	14.6	11.7		11.5	9.0	5.1
Specialty (31)		17.7	16.8	13.5	11.0	31.7		14.8	18.5	12.5		13.2	11.5	10.3
Supermarkets (26)		17.4	17.2	14.2	9.3	41.7		10.8	10.7	12.2		12.8	17.3	9.5
Restaurant chains (8)		16.9	15.0	14.6	13.7	17.6		14.5	11.5	8.6		13.6	8.5	13.4
Aerospace & defense (33)	6	**15.7**	**13.9**	**13.4**	**10.0**	**33.0**	11	**8.9**	**9.8**	**4.9**	10	**6.8**	**7.2**	**1.1**
Consumer nondurables (44)	7	**15.2**	**16.7**	**17.1**	**14.1**	**34.6**	9	**10.1**	**10.8**	**8.4**	2	**11.7**	**12.6**	**15.6**
Personal products (17)		15.6	18.3	20.3	15.4	22.2		9.9	10.4	8.6		10.8	12.6	15.6
Apparel & shoes (12)		20.3	18.9	21.0	14.3	33.8		11.5	7.8	18.2		15.3	16.8	17.0
Textiles (9)		13.0	14.6	12.6	9.9	45.7		10.7	19.2	5.6		9.2	12.1	–2.5
Photography & toys (6)		13.9	14.0	12.6	9.6	40.1		5.6	9.8	5.1		NM	NM	79.8

D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 120.

	Profitability						Growth							
		Return on equity					Sales				Earnings per share			
Industry (number of companies)	rank	10-year average %	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	rank	10-year average %	5-year average %	latest 12 mos %	rank	10-year average %	5-year average %	latest 12 mos %
Chemicals (45)	8	15.0	16.5	17.4	15.7	26.9	17	5.1	7.3	8.6	11	5.9	13.1	14.3
Diversified (15)		16.7	16.5	16.6	13.9	25.8		3.7	4.7	6.5		7.0	14.9	14.3
Specialized (30)		14.8	16.5	18.5	15.9	27.5		5.7	9.1	10.0		0.6	10.5	11.5
Insurance (67)	9	14.4	14.7	12.0	11.0	17.3	3	13.7	14.1	8.4	9	7.1	9.6	9.0
Diversified (24)		15.9	14.6	12.0	11.1	15.3		14.7	14.9	8.4		6.5	9.6	6.1
Life & health (19)		11.8	11.4	8.6	7.7	25.1		12.8	12.3	9.6		7.1	–11.1	32.7
Property & casualty (24)		14.9	15.9	13.9	12.0	20.7		10.9	15.0	7.0		8.9	17.7	–1.6
Financial services (131)	10	14.3	13.7	13.9	9.1	31.5	1	14.3	12.5	16.9	7	8.6	8.5	7.1
Multinational banks (10)		10.4	8.4	def	3.0	49.9		8.7	5.5	18.1		8.7	12.9	–30.7
Regional banks (66)		14.5	14.7	15.9	13.5	22.9		13.6	13.2	18.2		8.7	8.8	13.3
Thrift institutions (34)		15.2	12.9	def	3.8	51.3		18.7	12.1	8.9		5.5	NM	P-D
Brokerage & commodity (10)		13.4	12.3	11.1	8.6	36.8		10.0	14.9	23.4		NM	6.0	58.9
Lease & finance (11)		15.9	18.6	19.9	7.6	80.6		14.7	9.7	18.3		9.6	5.7	12.4
Computers & communications (89)	11	14.2	14.3	13.6	9.2	23.8	8	12.1	11.5	8.8	12	4.2	–4.1	–1.0
Hardware (61)		12.6	12.1	9.6	7.9	17.9		13.0	12.3	8.8		–3.6	–15.1	–9.1
Software (8)		20.7	33.9	25.2	16.3	18.7		28.0	49.9	24.3		25.4	45.4	15.0
Telecommunications (20)		14.0	13.9	15.3	8.6	34.9		9.8	7.3	6.0		3.9	3.7	7.9
Consumer durables (58)	12	13.8	14.2	15.0	11.6	33.4	12	8.4	10.3	7.1	16	–10.4	5.8	0.2
Automobiles & trucks (9)		18.7	14.8	14.6	10.5	41.9		8.3	12.6	6.1		NM	NM	–17.3
Automotive parts (24)		13.7	14.9	16.4	11.6	29.2		8.5	9.7	5.6		6.0	10.4	8.0
Appliances (10)		8.7	13.0	10.4	12.4	44.9		7.0	10.2	17.4		NM	NM	–9.5
Home furnishings (8)		17.6	17.7	15.0	14.2	24.7		14.2	16.1	10.0		14.2	12.4	11.5
Recreation equipment (7)		12.1	10.9	def	def	19.9		9.8	8.1	–7.1		NM	–24.2	P-D
Forest products & packaging (31)	13	13.6	15.2	18.8	12.5	30.1	15	7.4	11.5	10.0	8	7.2	27.0	12.8
Paper & lumber (20)		13.9	15.5	18.5	12.1	31.9		7.5	11.9	10.3		5.3	32.1	12.6
Packaging (11)		13.6	15.0	19.1	12.9	27.1		6.7	9.1	5.2		8.8	20.7	13.1
Electric utilities (80)	14	13.0	13.3	12.4	7.1	41.1	14	7.5	2.6	3.5	13	3.5	–6.3	–2.5
Northeast (24)		12.7	13.0	12.3	7.0	44.5		7.4	1.9	5.1		3.4	–7.6	–1.2
North central (26)		13.0	13.0	12.5	7.0	41.1		6.3	0.9	1.7		2.8	–10.1	–9.8
Southeast (10)		13.7	14.0	13.4	7.4	36.8		10.1	5.9	3.3		5.5	4.7	2.5
South central (8)		13.9	14.0	10.1	6.4	41.9		8.3	1.4	3.3		4.5	–11.8	–24.4
Western (12)		11.5	12.3	10.9	7.2	42.3		9.4	5.9	10.0		1.3	–8.5	–4.1
Travel (17)	15	12.5	11.3	14.4	9.3	48.5	5	13.2	12.0	9.1	20	NM	NM	–17.0
Airlines (10)		12.6	10.5	14.6	8.6	42.9		20.3	18.7	16.6		NM	NM	8.1
Hotels & gaming (7)		12.3	17.4	14.4	14.6	58.3		10.4	7.9	6.7		7.5	12.6	–17.0
Transport (21)	16	11.3	9.9	10.6	7.0	37.2	13	8.0	11.0	5.3	14	–5.6	–14.1	5.2
Railroads (8)		6.2	5.5	12.7	7.5	38.2		6.4	2.5	1.0		NM	NM	6.4
Trucking & shipping (9)		15.3	11.6	7.3	5.7	35.7		12.6	12.3	12.0		7.9	–2.3	4.2
Air freight (4)		13.8	9.5	10.6	6.9	48.4		12.2	15.3	14.3		NM	NM	40.2
Energy (81)	17	10.2	9.2	10.7	8.0	36.5	20	–3.5	–7.1	5.3	18	–15.9	NM	3.8
International oils (7)		12.5	11.3	12.4	8.9	24.1		NM	–6.2	6.6		NM	5.1	–19.8
Other oil & gas (29)		6.8	7.7	10.4	8.1	39.6		NM	–9.2	7.6		NM	NM	18.5
Oilfield services (7)		4.2	0.5	8.1	8.0	13.0		–6.1	–7.7	0.2		–14.5	NM	42.2
Gas pipeliners (8)		6.6	2.4	5.0	5.4	46.5		NM	–12.9	3.1		NM	NM	4.3
Gas distributors (16)		13.7	13.5	13.1	8.4	36.8		7.9	–4.2	4.6		4.7	1.5	0.4
Integrated gas (10)		11.5	9.0	9.4	6.4	34.2		3.1	–6.6	6.3		–10.9	NM	19.3
Coal & other (4)		def	0.8	13.8	10.0	22.7		5.7	4.8	29.8		NM	NM	D-P
Capital goods (53)	18	9.2	10.9	14.1	11.0	29.2	19	4.2	8.6	10.1	15	–8.4	3.9	10.8
Electrical equipment (13)		17.9	17.1	18.6	12.5	35.4		8.5	10.0	6.3		8.7	9.9	10.2
Heavy equipment (40)		8.2	9.2	13.3	11.0	28.6		2.8	8.3	11.0		–14.5	NM	15.7
Construction (23)	19	7.9	5.0	4.4	7.1	41.0	16	6.8	10.4	5.9	19	–21.0	NM	–32.9
Commercial builders (16)		5.8	3.0	3.1	6.8	34.9		5.2	8.9	4.8		–18.5	NM	–40.0
Residential builders (7)		13.1	9.6	10.5	7.4	70.5		14.5	13.4	7.0		NM	–11.9	2.2
Materials (60)	20	7.7	8.9	14.6	11.4	30.4	18	4.3	7.9	8.1	18	–16.7	NM	4.9
Steel (23)		4.8	5.5	14.9	12.6	25.0		1.6	7.3	8.1		–14.2	NM	16.3
Nonferrous metals (14)		6.9	10.7	22.1	16.3	23.8		NM	8.0	20.2		NM	NM	40.2
Cement & gypsum (7)		11.9	14.1	11.7	9.3	34.1		9.1	8.6	11.0		4.8	13.8	–4.8
Other materials (16)		10.3	10.8	6.7	7.7	33.4		7.1	11.6	5.5		4.1	NM	–21.5
All-industry medians		14.3	14.3	14.4	11.1	32.0		9.3	10.9	8.5		6.4	7.6	8.0

D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 120.

WHO'S WHERE IN THIS ISSUE

In the following summary, each corporation is ranked three ways—by average return on equity, by earnings growth and by stock market performance—over a ten-year period. The last column shows where the company can be found in the industry survey.

	RANK			
Company	Profitability	Growth	Stock market	Page
Abbott Laboratories	34	98	171	180
Acme Steel	**	**	**	188
Adia Services	**	**	**	124
Advanced Micro	**	**	758	134
ADVO-System	**	**	**	160
Aetna Life & Cas	600	NM	670	184
Affiliated Pubs	**	**	**	160
HF Ahmanson	575	431	492	164
Air Express Intl	148	262	650	200
Air Prods & Chems	498	364	547	130
Airborne Freight	621	NM	734	200
Alaska Air Group	257	457	271	204
Albany International	**	**	**	176
Alberto-Culver	598	213	29	148
Albertson's	133	153	57	192
Alcan Aluminium	673	NM	614	188
Alco Standard	331	498	318	124
Alexander & Alexander	**	**	800	184
Alexander & Baldwin	182	83	120	200
Alexander's	823	NM	102	192
Allegheny	**	**	**	184
Allegheny Intl	892	NM	888	142
Allegheny Ludlum	**	**	**	188
Allegheny Power	404	389	503	152
Allen Group	838	610	806	142
Allied Products	824	NM	845	126
Allied-Signal	680	NM	787	122, 142
Alltel	345	415	267	134
Alcoa	704	NM	528	188
ALZA	**	**	**	180
AM International	**	**	865	124
AMAX	825	NM	848	188
AmBase	**	**	**	184
AMC Entertainment	814	NM	**	160
Amdahl	432	150	684	134
Amdura	876	NM	866	142
Amerada Hess	801	574	659	156
America West Airlines	**	**	**	204
American Bankers	615	504	720	184
American Brands	174	417	328	172
American Building	687	NM	401	124
American Capital	**	**	**	164
American Cyanamid	516	451	448	130
American Electric	528	539	687	152
American Express	**	**	289	164
American Family	149	105	82	184
American General	422	493	472	184

	RANK			
Company	Profitability	Growth	Stock market	Page
American Greetings	477	435	217	160
American Home Prods	14	272	356	180
American Intl Group	187	136	156	184
American Maize	780	582	703	172
American Natl Ins	453	379	605	184
American Petrofina	703	NM	667	156
American President	**	**	**	200
American Stores	180	183	166	192
American Tel & Tel	**	**	**	134
American Water Works	623	175	220	152
AmeriFirst Bank	**	**	**	164
Ameritech	**	**	**	134
Ameritrust	693	440	384	164
Ames Dept Stores	299	148	99	192
Ametek	**	**	598	126
Amgen	**	**	**	180
Amoco	378	NM	548	156
AMP	145	326	430	134
Ampco-Pittsburgh	863	NM	838	126
AMR	593	NM	146	204
AmSouth Bancorp	358	342	469	164
Anacomp	530	NM	859	124
Analog Devices	401	113	515	134
Anchor Savings Bank	**	**	**	164
Anheuser-Busch Cos	124	92	74	172
Aon	206	378	331	184
Apogee Enterprises	220	217	209	140
Apple Computer	10	13	508	134
Applied BioScience	**	**	**	180
Applied Biosystems	**	**	**	180
Archer Daniels	520	258	380	172
Arden Group	130	27	27	192
Argonaut Group	**	**	**	184
Aristech Chemical	**	**	**	130
Arkla	551	560	653	156
Armco	871	NM	862	188
Armstrong World Inds	411	152	259	188
Arrow Electronics	864	NM	872	134
Arvin Industries	635	256	543	142
Asarco	799	NM	817	188
Ashland Oil	572	NM	685	156
AST Research	**	**	**	134
Atari	**	**	**	134
Guy F Atkinson	776	621	**	140
Atlanta Gas Light	609	483	360	156
Atlantic Energy	404	481	508	152
Atlantic Financial	**	**	**	164

Profitability: 10-year return on equity. **Growth:** 10-year annual earnings-per-share growth. **Stock market:** 10-year price change. **NM:** Not meaningful.
**Not ranked.

WHERE TO FIND THE COMPANY

	RANK			
Company	Profitability	Growth	Stock market	Page
Atlantic Richfield	310	NM	530	156
Automatic Data	194	130	229	134
Avery International	346	282	158	124
Avnet	684	568	537	134
Avon Products	834	NM	839	148
Avondale Industries	**	**	**	200
AVX	760	470	706	126
Baker Hughes	**	**	**	156
Balfour Maclaine	809	NM	836	164
Ball Corp	341	354	237	176
Bally Manufacturing	762	NM	857	204
Baltimore G&E	365	337	461	152
Banc One	275	252	161	164
Bancorp Hawaii	218	286	248	164
Bandag	21	93	107	142
Bank of Boston	456	195	411	164
Bank of New England	312	259	521	164
Bank of New York	381	347	372	164
BankAmerica	849	567	789	164
Bankers Trust NY	355	164	281	164
Banta	232	176	111	160
CR Bard	143	60	81	180
Barnes Group	634	NM	678	142
Barnett Banks	235	134	195	164
Baroid	**	**	**	156
Bassett Furniture Ind	627	NM	534	142
Bausch & Lomb	277	291	413	180
Baxter International	519	NM	636	180
BayBanks	308	220	284	164
Bear Stearns Cos	**	**	**	164
Bearings	726	573	617	126
Beckman Instruments	**	**	**	180
Becton Dickinson	416	312	399	180
Bell Atlantic	**	**	**	134
Bell Industries	670	NM	707	134
BellSouth	**	**	**	134
Bemis	474	288	79	176
Beneficial Corp	770	545	652	164
Benj Franklin S&L	**	**	**	164
Bergen Brunswig	317	166	112	180
WR Berkley	492	149	163	184
Berkshire Hathaway	318	24	14	184
Best Buy Co	26	NM	**	192
Bethlehem Steel	865	NM	829	188
Betz Laboratories	108	349	479	130
Beverly Enterprises	746	NM	742	180
Bindley Western Inds	394	358	**	180
Biotech Research Labs	**	**	**	180
Black & Decker	783	581	812	142
Blair	49	132	294	192
H&R Block	74	279	223	164
Block Drug	273	239	129	148
Blount	236	NM	674	140
BMA	594	437	542	184
Boatmen's Bancshares	**	**	426	164
Bob Evans Farms	170	166	396	192
Boeing	340	526	367	122
Boise Cascade	692	NM	618	176
Borden	321	264	114	172
Boston Edison	**	**	642	152
Bowater	268	NM	**	176
Briggs & Stratton	538	556	794	142
Bristol-Myers Squibb	**	**	191	180
Broad	**	**	**	184
Brooklyn Union Gas	449	518	823	156
Brown-Forman	183	210	206	172

	RANK			
Company	Profitability	Growth	Stock market	Page
Brown Group	606	566	375	192
Browning-Ferris Inds	88	65	31	124
Bruno's	68	39	67	192
Brunswick	76	31	108	142
Burlington Coat	73	28	**	192
Burlington Northern	**	**	**	200
Burlington Resources	**	**	**	156
Businessland	**	**	**	192
Butler Manufacturing	775	607	826	140
Cablevision Systems	**	**	**	160
Cabot	676	NM	594	130
Caesars World	367	151	693	204
CalFed	**	218	**	164
Calgene	**	**	**	180
CalMat	583	277	581	188
Cambridge BioScience	**	**	**	180
Campbell Soup	359	353	157	172
Capital Cities/ABC	216	114	62	160
Capital Holding	291	198	268	184
Cardinal Distribution	75	18	**	180
Carl Karcher	478	287	234	192
Carlisle Cos	390	NM	476	134
Carnival Cruise Lines	**	**	**	204
Carolina Freight	371	371	238	200
Carolina Power & Lt	552	NM	561	152
Carpenter Technology	733	611	705	188
Carter Hawley Hale	**	**	**	192
Carter-Wallace	438	57	34	148
Casey's General Store	**	**	**	192
AM Castle & Co	637	463	410	188
Castle & Cooke	**	**	**	172
Caterpillar	786	597	795	126
CBI Industries	**	**	832	140
CBS	12	117	358	160
CDI	64	55	16	124
Centel	350	502	236	134
Centerior Energy	648	NM	**	152
Centex	580	356	**	140
Centocor	**	**	**	180
Central & So West	356	444	511	152
Central Hudson G&E	603	NM	765	152
Central Ill Pub Svc	523	538	631	152
Central Maine Power	654	548	723	152
Central Newspapers	**	**	**	160
Central Steel & Wire	564	NM	486	188
CenTrust Savings Bank	**	**	**	164
Cetus	**	**	**	180
Champion Intl	716	NM	749	176
Charming Shoppes	45	63	142	192
Charter	705	NM	880	156
Chase Manhattan	661	289	654	164
Chemed	62	433	600	180
Chemical Banking	662	238	634	164
Chesapeake	567	385	580	176
Chevron	554	NM	584	156
Child World	**	**	**	192
Chiron	**	**	**	180
Chrysler	69	NM	154	142
Chubb	372	324	228	184
Cigna	**	**	**	184
CILcorp	506	580	735	152
Cincinnati Bell	397	383	132	134
Cincinnati Financial	209	158	152	184
Cincinnati G&E	377	531	664	152
Cincinnati Milacron	837	596	838	126
Circle K	198	238	771	192

Profitability: 10-year return on equity. **Growth:** 10-year annual earnings-per-share growth. **Stock market:** 10-year price change. **NM:** Not meaningful.
**Not ranked.

WHERE TO FIND THE COMPANY

	RANK			
Company	Profitability	Growth	Stock market	Page
Circuit City Stores	32	9	1	192
Circus Circus	**	37	**	204
Citicorp	616	304	529	164
Citizens & Southern	263	84	256	164
CityFed Financial	674	NM	878	164
Clark Equipment	857	612	811	126
Clorox	163	196	106	148
CMS Energy	810	NM	669	152
CNA Financial	333	251	188	184
Coachmen Industries	715	NM	519	142
Coast Savings Finl	**	**	**	164
Coastal Corp	457	510	445	156
Coca-Cola	56	273	167	172
Coca-Cola Enterprises	**	**	**	172
Colgate-Palmolive	315	NM	304	148
Collaborative Research	**	**	**	180
Collagen	**	**	**	180
Collins Foods Intl	272	187	84	192
Columbia Gas System	745	586	766	156
Columbia S&L Assn	47	NM	590	164
Combustion Eng	833	NM	746	126
Comcast	773	NM	35	160
Comdisco	59	67	68	124
Comerica	493	388	403	164
Commerce Bcshs	563	346	261	164
Commerce Clearing	5	185	374	160
Commercial Federal	**	**	**	164
Commercial Metals	650	516	427	164
Commonwealth Ed	462	511	640	152
Commonwealth Energy	409	461	504	152
Commtron	**	**	**	160
Communications Trans	**	**	**	134
Compaq Computer	**	**	**	134
Computer Associates	**	**	48	134
Computer Sciences	326	355	473	134
ConAgra	111	124	42	172
Conseco	**	**	**	184
Consolidated Edison	451	330	303	152
Consol Freightways	368	475	418	200
Consol Natural Gas	475	459	305	156
Consolidated Papers	162	267	204	176
Consolidated Rail	**	NM	**	200
Consolidated Stores	18	3	**	192
Constar Intl	599	541	297	176
Contel	434	NM	363	134
Continental Bank	875	622	**	164
Continental Corp	710	NM	755	184
Control Data	861	617	843	134
Cooper Industries	565	NM	596	126
Cooper Tire & Rubber	265	142	19	142
Adolph Coors	766	550	711	172
Copperweld	816	NM	**	188
CoreStates Financial	207	172	189	164
Corning	555	485	474	180
Corroon & Black	17	203	452	184
Costco Wholesale	**	**	**	192
CPC International	142	430	286	172
Crane	**	**	**	126
Cray Research	43	7	323	134
Crestar Financial	323	300	279	164
Cross & Trecker	852	NM	867	126
CrossLand Savings FSB	**	**	**	164
Crown Central Pet	771	NM	624	156
Crown Cork & Seal	489	335	244	176
CRS	769	NM	185	124
Crystal Brands	**	**	**	148
CSX	749	NM	613	200
Culbro	369	NM	86	172
Cummins Engine	815	NM	698	142
Curtice Burns Foods	254	311	227	172
Cyclops Industries	**	**	**	188
Cyprus Minerals	**	**	**	156, 188
Dairy Mart	**	22	**	192
Dallas Corp	807	615	728	188
Damon Biotech	**	**	**	180
Dana	512	NM	632	142
Danaher	**	NM	141	142
Dart Group	643	19	66	192
Data General	818	NM	855	134
Datapoint	873	NM	**	134
Dayton Hudson	329	479	178	192
Dean Foods	99	115	53	172
Deere & Co	817	605	726	126
Delchamps	418	449	**	192
Delmarva Power & Lt	452	478	566	152
Delta Air Lines	543	NM	395	204
Delta Woodside Inds	**	**	**	148
Deluxe	27	94	123	124
Dennison Mfg	500	NM	629	124
DeSoto	699	NM	344	130
Detroit Edison	689	NM	626	152
Dexter	386	497	533	130
Di Giorgio	787	NM	568	172
Diagnostic Products	**	**	**	180
Diamond Shamrock R&M	**	**	**	156
Dibrell Brothers	260	71	52	172
Diebold	353	307	512	124
Digital Equipment	398	133	532	134
Dillard Dept Stores	191	25	8	192
Dime Savings Bank FSB	**	**	**	164
Walt Disney	253	188	61	160
Diversified Energies	683	NM	435	156
Dixie Yarns	446	99	219	148
Dollar General	464	NM	183	192
Dominion Bankshares	352	372	467	164
Dominion Resources	511	438	462	152
RR Donnelley & Sons	219	156	159	160
Dover	172	320	336	126
Dow Chemical	226	329	466	130
Dow Jones	38	101	225	160
DPL	527	NM	624	152
DQE	596	543	699	152
Dravo	879	NM	833	188
Dresser Industries	805	601	708	156
Drug Emporium	**	**	**	192
EI du Pont de Nemours	539	521	404	130, 156
Duke Power	459	487	443	152
Dun & Bradstreet	29	122	329	160
Durr-Fillauer	522	243	95	180
DWG	497	253	103	148
E-Systems	202	120	316	122
Eagle-Picher Inds	886	NM	854	126
Eastern Enterprises	743	NM	731	156
Eastman Kodak	431	NM	628	148
Eaton	420	445	421	142
Echlin	488	306	671	142
Ecolab	137	290	549	124
Edison Bros Stores	631	NM	**	192
AG Edwards	165	365	106	164
EG&G	54	208	453	134
El Paso Electric	490	580	808	152
Emerson Electric	178	366	431	126

Profitability: 10-year return on equity. **Growth:** 10-year annual earnings-per-share growth. **Stock market:** 10-year price change. **NM:** Not meaningful.
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Company	Profitability	Growth	Stock market	Page
Emerson Radio	204	NM	251	142
Empire of America	**	**	**	164
Engelhard	559	NM	736	188
Enron	494	NM	682	156
Enserch	843	NM	781	156
Enstar Group	217	34	757	164
Entergy	644	551	692	152
Enzo Biochem	**	**	**	180
Equifax	77	234	63	164
Equitable of Iowa	677	489	517	192
Equitable Resources	302	426	243	156
Esselte Business Sys	487	42	**	124
Ethyl	**	**	140	130
Exxon	241	434	405	156
Family Dollar Stores	67	97	232	192
Fay's	436	270	170	192
Federal Express	298	61	314	200
Federal-Mogul	545	NM	549	142
Federal Natl Mortgage	**	**	127	164
Federal Paper Board	267	178	420	176
Ferro	597	NM	308	130
FHP International	**	**	**	180
Fieldcrest Cannon	781	591	722	148
Figgie Intl	306	232	121	124
Finl Cp Santa Barbara	**	NM	883	164
Finevest Foods	**	**	**	172
Fireman's Fund	**	**	**	184
First American Corp	**	446	392	164
First American Finl	243	340	564	184
First Bank System	784	NM	690	164
First Capital Holding	**	**	**	184
First Chicago	740	382	513	164
First Executive	**	**	115	184
First Fidelity Bncp	**	**	480	164
First Financial Mgmt	101	14	**	134
First Interstate Bncp	767	NM	675	164
First of America Bank	314	214	292	164
First Pennsylvania	847	NM	655	164
First Security	725	588	691	164
First Tennessee Natl	417	359	387	164
First Union	139	180	274	164
First Wachovia	**	157	241	164
Firstar	611	231	242	164
FirstFed Michigan	**	**	**	164
Fischbach	860	NM	858	140
Fleet/Norstar Finl	**	**	186	164
Fleetwood Enterprises	223	NM	249	142
Fleming Cos	439	427	398	172
Florida Federal	**	**	**	164
Florida Natl Banks	550	265	202	164
Florida Progress	396	391	494	152
Florida Rock Inds	169	201	**	188
Flowers Industries	167	193	94	172
Fluor	835	616	776	140
FMC	691	119	122	130
Food Lion	30	32	26	192
Foodarama Supermarkets	729	NM	177	192
Ford Motor	87	NM	174	142
Foremost Corp of Amer	501	530	400	184
LB Foster	347	583	868	126
Foster Wheeler	700	585	735	126
Foxboro	856	618	818	126
FPL Group	469	469	490	152
Freeport-McMoRan	136	NM	768	130
Fremont General	504	NM	727	184
Fruit of the Loom	**	**	**	148

	RANK			
Company	Profitability	Growth	Stock market	Page
HB Fuller	364	263	353	130
Fuqua Industries	79	58	210	148
Gamma Biologicals	**	**	**	180
Gannett	110	247	350	160
Gap	55	33	7	192
GATX	747	557	697	164
Gaylord Container	**	**	**	176
Geico	19	79	56	184
GenCorp	375	126	592	122
Genentech	**	**	**	180
General Cinema	50	78	83	192
General Development	646	594	**	140
General Dynamics	91	110	696	122
General Electric	203	341	291	122, 126
General Host	335	NM	595	192
General Instrument	774	NM	556	134
General Mills	**	**	330	172
General Motors	499	NM	686	142
General Motors EDS	7	16	**	134
GM Hughes Electronics	**	**	**	122
General Public Utils	642	95	246	152
General Re	289	261	124	184
General Signal	708	593	763	126
Genesco	713	334	626	192
Genetics Institute	**	**	**	180
Genlyte Group	**	**	**	126
Genuine Parts	173	331	377	142
Genzyme	**	**	**	180
Georgia Gulf	**	**	**	130
Georgia-Pacific	612	NM	676	176
Gerber Products	406	NM	93	172
Getty Petroleum	119	59	113	156
Giant Food	85	76	25	192
Gibson Greetings	**	**	**	148
Gillette	52	NM	145	148
Gitano Group	**	**	**	148
PH Glatfelter	115	116	92	176
GlenFed	**	**	**	164
Golden West Finl	51	74	126	164
Goldome	**	**	**	164
BF Goodrich	821	NM	585	130
Goodyear	295	368	378	142
Goulds Pumps	320	NM	721	126
WR Grace	759	553	724	130
WW Grainger	288	321	429	126
Great American Bank	**	**	**	164
Great American Mgmt	819	NM	138	130
Great A&P Tea	744	NM	60	192
Great Lakes Chemical	166	89	296	130
Gt Northern Nekoosa	415	376	211	176
Gt Western Financial	589	462	589	164
Greyhound	649	NM	601	148
Grossman's	883	NM	**	192
Grow Group	736	NM	527	188
Grumman	601	197	700	122
GTE	525	523	382	134
Guilford Mills	256	507	368	148
Gulf States Utils	645	570	790	152
Hadson	789	399	841	156
Halliburton	806	620	814	156
Hana Biologics	**	**	**	180
Handleman	104	137	65	160
Handy & Harman	750	596	816	188
MA Hanna	855	NM	804	130
Hannaford Bros	181	106	13	192
Hanover Insurance	259	227	216	184

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Company	RANK Profitability	Growth	Stock market	Page
Harcourt Brace	537	NM	**	160
Harken Energy	870	NM	860	156
Harley-Davidson	**	**	**	142
Harman International	**	**	**	142
Harnischfeger Inds	853	NM	737	126
Harris Corp	666	559	786	134
Harsco	624	NM	464	188
Hartford Steam Boiler	81	66	55	184
Hartmarx	584	392	335	192
Hasbro	80	8	2	148
Hawaiian Electric	629	477	434	152
Healthco Intl	651	NM	**	180
Hechinger	233	54	221	192
HJ Heinz	84	158	78	172
Helene Curtis Inds	370	62	23	148
Henley Group	**	**	**	180
Hercules	269	418	616	130
Hershey Foods	157	181	101	172
Hewlett-Packard	270	146	487	134
Highland Superstores	8	85	**	192
Hillenbrand Inds	190	205	97	180
Hills Dept Stores	**	**	**	192
Hilton Hotels	212	476	168	204
Himont	**	**	**	130
Holiday	566	301	324	204
Holly Corp	22	118	150	156
Home Depot	**	NM	11	192
Home Shopping	**	**	**	192
HomeFed	**	202	**	164
Homestead Financial	114	NM	792	164
HON Industries	116	333	313	124
Honeywell	822	NM	639	122
Geo A Hormel	481	369	133	172
Horn & Hardart	862	NM	799	192
Household Intl	284	345	439	164
Houston Industries	461	533	673	152
Hubbell	213	275	226	126
Hudson Foods	**	**	**	172
Hughes Supply	633	517	544	188
Humana	70	86	192	180
Huntington Bcshs	424	395	254	164
IBP	**	**	**	172
ICH	**	**	306	184
ICN Biomedicals	**	**	**	180
Ideal Basic Inds	888	NM	882	188
IE Industries	592	NM	615	152
IGI	**	**	**	180
Illinois Power	467	NM	813	152
Illinois Tool Works	227	269	155	126
IMC Fertilizer Group	**	**	**	130
Immucor	**	**	**	180
Immunex	**	**	**	180
Immunomedics	**	**	**	180
Imo Industries	**	**	**	126
Imperial Corp of Am	798	NM	876	164
Imperial Holly	**	**	**	172
INB Financial	448	298	173	164
Inco	777	NM	756	188
Independent Insurance	540	NM	552	184
Ingersoll-Rand	724	NM	604	126
Ingles Markets	**	**	**	192
Inland Steel Inds	830	NM	791	188
Inspiration Resources	877	NM	**	192
Intel	507	81	490	134
Interco	707	561	**	142
Intergraph	61	11	531	134

Company	RANK Profitability	Growth	Stock market	Page
Interlake	590	236	764	126
Intermark	638	NM	321	192
IBM	160	414	717	134
Intl Flavors & Frags	161	419	394	130
Intl Minerals & Chem	791	606	760	130
Intl Multifoods	508	540	573	172
International Paper	679	NM	502	176
Interpublic Group	175	292	196	160
InterTAN	**	**	**	192
Iowa-Illinois G&E	399	490	526	152
Iowa Resources	541	NM	660	152
Ipalco Enterprises	325	381	518	152
Itel	**	**	**	134
ITT	672	NM	576	184
Jacobs Engineering	763	578	468	140
James River Corp Va	234	161	266	176
Jamesway	544	425	488	192
Jefferson-Pilot	585	401	437	184
Johnson & Johnson	134	319	310	148
Johnson Controls	471	467	658	142
Earle M Jorgensen	794	604	645	188
Jostens	23	169	182	192
JWP	**	NM	41	124
K-H Corp	**	**	**	142
K mart	393	339	606	192
Kaman	292	162	554	122
Kansas City P&L	553	460	559	152
Kansas City Southern	804	NM	425	200
Kansas Gas & Elec	665	NM	712	152
Kansas Power & Light	351	424	482	156
Kaufman & Broad Home	**	**	**	140
Kay Jewelers	123	NM	**	192
Kellogg	6	160	135	172
Kellwood	363	179	119	148
Kelly Services	44	100	70	124
Kemper	426	466	262	184
Kennametal	702	558	753	126
Kentucky Central Life	**	**	459	184
Kentucky Utilities	502	413	578	152
Kerr Glass Mfg	858	NM	780	176
Kerr-McGee	797	564	739	156
KeyCorp	387	317	275	164
Kimball International	245	295	212	142
Kimberly-Clark	246	394	147	148
KN Energy	751	NM	**	156
Knight-Ridder	262	327	332	160
Kroger	608	598	**	192
La-Z-Boy Chair	286	143	164	142
Laclede Gas	337	352	409	156
Lafarge	748	NM	**	188
Lancaster Colony	576	NM	339	142
Lance	131	281	317	172
Landmark Land	728	70	371	164
Lands' End	**	**	**	192
Leggett & Platt	186	135	100	142
Leslie Fay Cos	**	**	**	148
Leucadia National	151	6	50	184
Liberty Corp	697	494	648	184
Life Technologies	**	**	**	180
Eli Lilly	86	293	298	180
Limited	4	4	3	192
Lincoln Electric	547	NM	719	126
Lincoln National	628	527	489	184
Lionel	874	575	788	192
Litton Industries	306	NM	687	122
Liz Claiborne	1	2	21	148

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Company	Profitability	Growth	Stock market	Page
Lockheed	33	21	376	122
Loctite	205	407	497	130
Loews	71	69	36	172
Lomas Financial	379	NM	879	164
Lone Star Industries	723	584	828	188
Lone Star Tech	**	NM	**	188
Long Island Lighting	618	NM	751	152
Longs Drug Stores	271	360	438	192
Longview Fibre	252	163	602	176
Loral	201	131	506	122
Lotus Development	**	**	**	134
Louisiana Land	802	NM	**	156
Louisiana-Pacific	**	**	583	176
Louisville G&E	506	468	591	152
Lowe's Cos	405	233	327	192
LPL Technologies	**	**	**	134
LTV	891	NM	877	188
Lubrizol	297	NM	752	130
Lukens	737	274	334	188
LVI Group	889	NM	835	140
Lyondell Petrochem	**	**	**	130
M/A-Com	755	NM	850	134
Mack Trucks	846	NM	**	142
Magma Copper	**	**	**	188
MagneTek	**	**	**	126
MAI Basic Four	**	**	**	134
Manor Care	102	**	69	180
Manufacturers Hanover	712	398	759	164
Manufacturers Natl	588	NM	293	164
Manville	**	**	885	188
Mapco	276	NM	647	156
Marion Laboratories	35	17	5	180
Mark IV Industries	42	15	4	134
Marriott	83	73	72	172
Marsh & McLennan Cos	15	248	272	184
Marsh Supermarkets	485	432	90	192
Marshall & Ilsley	324	318	270	164
Marshall Industries	336	53	213	134
Martin Marietta	95	225	404	122
Masco	184	216	346	188
Masco Industries	**	**	**	142
Mattel	878	NM	579	148
Maxus Energy	**	**	**	156
Maxxam	421	NM	320	188
May Dept Stores	303	200	203	192
Maytag	**	**	423	142
MCA	607	NM	369	160
McCormick & Co	391	384	263	172
McDermott Intl	867	NM	827	126
McDonald's	98	140	139	192
McDonnell Douglas	549	336	649	122
McGraw-Hill	126	278	290	160
MCI Communications	532	NM	12	134
McKesson	517	NM	481	180
MCN	**	**	**	156
MDC Holdings	344	NM	842	140
Mead	483	NM	458	176
Medco Containment	**	**	**	192
Media General	620	NM	258	160
Medtronic	159	167	373	180
Mellon Bank	850	NM	779	164
Melville	82	206	160	192
Mercantile Bancorp	687	NM	540	164
Mercantile Stores	280	154	153	192
Merck	31	194	172	180
Mercury General	92	48	**	184

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Company	Profitability	Growth	Stock market	Page
Meredith	309	285	208	160
Meridian Bancorp	407	374	**	164
Meritor Savings Bank	**	**	**	164
Merrill Lynch	400	315	496	164
Fred Meyer	**	**	**	192
MGM/UA Commun	**	**	**	160
Michigan National	660	NM	417	164
Microamerica	**	**	**	134
Micron Technology	**	**	**	134
Microsoft	**	**	**	134
Midlantic	222	297	348	164
Midway Airlines	851	NM	733	204
Midwest Energy	521	542	612	156
Herman Miller	120	112	187	124
Millipore	348	260	679	124
Minn Mining & Mfg	156	464	456	124
Minnesota Power & Lt	338	416	478	152
Mitchell Energy	669	619	738	156
MLX	**	**	**	126
MMR Holding	**	**	**	140
MNC Financial	339	254	180	164
Mobil	579	NM	619	156
Modine Manufacturing	301	250	273	142
Molecular Biosystems	**	**	**	180
Molex	63	111	205	134
Monarch Capital	626	NM	769	184
Monsanto	664	404	354	130
Montana Power	613	NM	623	152
Moore Corp	382	496	470	124
JP Morgan & Co	373	NM	370	164
Morgan Products Ltd	**	**	**	188
Morgan Stanley	**	**	**	164
Morrison	380	456	390	192
Morrison Knudsen	842	NM	545	140
Morton International	**	**	**	130
Motorola	570	NM	407	134
Multimedia	714	536	**	160
Murphy Oil	795	NM	741	156
Nacco Industries	158	90	357	126, 156
Nalco Chemical	138	465	514	130
Nash Finch	486	420	239	172
Nashua	640	NM	539	124
National City	333	280	451	164
Natl Convenience	595	NM	643	192
National Education	89	308	345	124
National Fuel Gas	529	406	364	156
National Intergroup	869	NM	852	180
National Medical	366	204	264	180
Natl Semiconductor	831	NM	820	134
National Service	231	296	201	126
National-Standard	839	602	864	188
Navistar Intl	884	NM	881	142
NBD Bancorp	495	316	269	164
NCH	496	NM	599	130
NCNB	311	294	143	164
NCR	293	373	386	134
Neiman Marcus Group	**	**	**	192
New England Electric	518	NM	535	152
NY State E&G	534	NM	688	152
New York Times	109	50	165	160
Newell Co	229	168	22	142
Newmont Mining	753	NM	688	188
Niagara Mohawk Power	632	NM	784	152
Nicor	739	862	754	156
NIKE	37	47	215	148
Nipsco Industries	764	869	747	152

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Company	Profitability	Growth	Stock market	Page
NL Industries	**	**	**	130
Noland	742	390	311	188
Nordstrom	171	68	51	192
Norfolk Southern	641	NM	**	200
Nortek	690	503	785	188
Northeast Savings FA	**	**	**	164
Northeast Utilities	445	408	538	152
No States Power	362	375	389	152
Northern Telecom	357	NM	441	134
Northern Trust	719	343	207	164
Northrop	562	NM	740	122
Norton	778	NM	695	126
Norwest	706	NM	524	164
Nucor	228	348	299	188
NWNL	**	**	586	184
Nynex	**	**	**	134
Occidental Petroleum	696	624	782	156
Ogden	435	556	475	124
Ohio Casualty	414	NM	471	184
Ohio Edison	515	534	689	152
Oklahoma G&E	455	439	485	152
Old Kent Financial	240	229	307	164
Old Republic Intl	307	508	505	184
Olin	741	453	416	130
Olsten	105	82	45	124
Omnicom Group	**	**	**	160
Oneok	686	609	750	156
Oracle Systems	**	**	**	134
Orange & Rockland	460	492	555	152
Orion Capital	813	NM	572	184
Orion Pictures	852	NM	611	160
Oryx Energy	**	**	**	156
Oshkosh Truck	40	10	**	142
Outboard Marine	671	454	412	142
Owens & Minor	538	240	233	180
Owens-Corning	768	NM	**	188
Oxford Industries	688	NM	283	148
Paccar	429	NM	419	142
PACE Membership	**	**	**	192
Pacific Enterprises	582	NM	587	156
Pacific G&E	656	NM	663	152
Pacific Telesis	**	**	**	134
PacifiCare Health	**	**	**	180
PacifiCorp	**	**	550	152
PaineWebber Group	578	NM	428	164
Pall	65	147	288	122
Pan Am	896	NM	856	204
Panhandle Eastern	844	NM	**	156
Paramount Commun	513	471	136	160
Parker Hannifin	463	528	622	126
Pathe Communications	**	**	**	160
Penn Central	757	NM	415	134
Penn Traffic	**	**	**	192
JC Penney	450	283	252	192
Pennsylvania P&L	546	547	565	152
Pennzoil	**	**	668	156
Pentair	258	428	319	176
People's Bank	**	**	**	164
Peoples Energy	327	488	455	156
Pep Boys	238	80	40	192
PepsiCo	78	219	134	172
Perini	796	NM	**	140
Perkin-Elmer	652	520	796	134
Perry Drug Stores	848	NM	477	192
Petrie Stores	349	NM	570	192
Petroleum Heat & Pwr	**	**	**	156

	RANK			
Company	Profitability	Growth	Stock market	Page
Pfizer	152	190	379	180
Phelps Dodge	761	361	646	188
PHH	279	403	397	124
Philadelphia Elec	560	NM	702	152
Philip Morris Cos	46	104	88	172
Philips Industries	107	52	30	188
Phillips Petroleum	330	NM	732	156
Phillips-Van Heusen	153	144	190	148
PHM	266	NM	109	140
Pic'N'Save	13	45	181	192
Piedmont Natural Gas	433	423	446	156
Pilgrim's Pride	**	**	**	172
Pinnacle West	625	546	861	152
Pioneer Hi-Bred Intl	248	422	436	172
Pitney Bowes	147	182	198	124
Pittston	854	NM	839	156, 200
PNC Financial	239	230	**	164
Polaroid	782	NM	402	148
Pope & Talbot	479	NM	406	176
Portland General	610	NM	666	152
Potlatch	614	NM	605	176
Potomac Electric	287	268	349	152
PPG Industries	251	237	240	142
Precision Castparts	113	26	43	122
Premark Intl	**	**	**	142
Premier Bancorp	827	NM	819	164
Premier Industrial	118	192	218	134
Preston	765	549	773	200
Price Co	3	1	18	192
Prime Computer	304	NM	803	134
Primerica	**	**	**	164
Procter & Gamble	374	NM	385	148
Progressive	36	30	24	184
Provident Life & Acc	491	397	483	184
PS Group	658	396	644	156
PSI Holdings	16	587	837	152
Public Service Colo	510	525	638	152
Public Service NH	681	576	870	152
Public Service NM	752	NM	834	152
Pub Svc Enterprise	514	529	597	152
Puget Sound P&L	603	NM	715	152
Quaker Oats	154	173	96	172
Quaker State	735	NM	802	156
Quanex	793	599	748	188
Quantum Chemical	278	400	767	130
Questar	630	NM	541	156
Ralston Purina	20	64	137	172
Ramada	836	NM	774	204
Raychem	328	302	672	126
Raytheon	128	328	575	122
Reebok International	**	**	**	148
Reliance Group	**	**	**	184
Republic New York	385	NM	214	164
Rexene	**	**	**	130
Reynolds & Reynolds	395	411	681	124
Reynolds Metals	730	NM	432	188
Richfood Holding	**	**	**	172
Riggs National	659	472	516	164
Rite Aid	100	129	200	192
Roadway Services	408	NM	463	200
HH Robertson	860	NM	830	188
AH Robins	897	385	322	180
Rochester G&E	561	NM	713	152
Rochester Telephone	428	506	312	184
Rockwell Intl	127	141	355	122
Rohm & Haas	285	170	337	130

Profitability: 10-year return on equity. **Growth:** 10-year annual earnings-per-share growth. **Stock market:** 10-year price change. **NM:** Not meaningful.
**Not ranked.

WHERE TO FIND THE COMPANY

Company	RANK Profitability	Growth	Stock market	Page
Rohr Industries	319	405	465	122
Rollins	2	128	**	124
Rorer Group	117	367	383	180
Rose's Stores	470	241	199	192
Ross Stores	**	**	**	192
Rouse	106	165	359	140
Rubbermaid	125	107	76	142
Ruddick	476	377	118	192
Russell	214	222	49	148
Ryder System	313	357	433	200
Rykoff-Sexton	569	380	301	172
Ryland Group	72	43	162	140
Safeco	285	245	333	184
Safety-Kleen	58	51	64	124
St Paul Cos	557	495	448	184
Salem Carpet Mills	531	127	265	148
Salomon	282	NM	661	164
San Diego G&E	361	362	408	152
Santa Fe Pacific	785	NM	**	200
Sara Lee	164	215	85	172
Savannah Foods	150	NM	15	172
Savin	887	NM	887	124
Scana	430	482	567	152
SCEcorp	360	410	424	152
Schering-Plough	210	501	245	180
Schlumberger	667	579	797	156
A Schulman	200	102	33	130
Schultz Sav-O Stores	274	159	116	192
Charles Schwab	**	**	**	164
SCI Systems	290	23	179	134
Scientific-Atlanta	695	314	493	134
Scott Paper	389	249	230	148
EW Scripps	**	**	**	160
Seaboard	444	370	128	172
Seagate Technology	**	NM	665	134
Seagram	542	189	176	172
Sears, Roebuck	636	499	610	184, 192
Seaway Food Town	413	NM	247	192
Security Pacific	425	299	381	164
Selective Insurance	215	207	342	184
Sequa	177	NM	352	122
Service Corp Intl	536	174	59	148
Service Merchandise	586	NM	651	192
Shaw Industries	140	40	9	148
Shawmut National	**	**	391	164
Shearson Lehman	**	**	**	164
Sherwin-Williams	247	56	75	192
Shoney's	146	91	**	192
Signet Banking	264	145	224	164
Skyline	732	NM	772	140
AO Smith	790	NM	730	142
Smith International	881	NM	863	156
Smithfield Foods	90	88	194	172
Smith's Food & Drug	**	**	**	192
Snap-on Tools	122	271	587	142
Society	441	338	362	164
Softsel Computer Prod	**	**	**	134
Sonat	758	NM	704	156
Sonoco Products	189	209	91	176
Soo Line	828	592	807	200
South Carolina Natl	342	242	257	164
Southdown	230	484	553	188
Southeast Banking	606	NM	510	164
Southern Company	454	441	546	152
So N England Telecom	468	447	260	134
SouthTrust	237	211	277	164

Company	RANK Profitability	Growth	Stock market	Page
Southwest Airlines	419	505	285	204
Southwest Gas	466	387	718	156
Southwestern Bell	**	**	**	134
Southwestern Pub Svc	208	450	551	152
Sovran Financial	221	191	**	164
Spiegel	**	**	**	192
Sprague Technologies	**	**	**	134
Springs Industries	711	412	365	148
SPS Technologies	709	563	633	122
SPX	465	443	557	142
Square D	244	537	577	126
SSMC	**	**	**	142
Std Commercial	581	NM	361	172
Standard Fedl Bank	**	**	**	164
Standard Products	68	NM	38	142
Standard Register	242	177	148	124
Standard Shares	**	**	343	142
Standex International	577	NM	457	160
Stanhome	112	221	87	148
Stanley Works	376	409	520	126
State Street Boston	155	41	17	164
Sterling Chemicals	**	**	**	130
Stewart & Stevenson	754	NM	295	126
Stone Container	193	38	175	176
Storage Technology	894	625	884	134
Strawbridge	423	155	98	192
Student Loan	9	5	**	164
Subaru of America	66	NM	340	142
Sudbury	**	**	**	126
Sun Company	**	**	**	156
Sun Microsystems	**	**	**	134
Sundstrand	722	NM	680	122
SunTrust Banks	**	**	**	164
Super Food Services	332	77	73	172
Super Valu Stores	121	246	309	172
Synbiotics	**	**	**	180
Synergen	**	**	**	180
Syntex	28	75	89	180
Sysco	230	125	32	172
Talley Industries	829	NM	701	122
Talman Home Federal	**	**	**	164
Tambrands	41	309	326	148
Tandem Computers	388	20	151	134
Tandy	53	139	235	192
TBC	97	109	**	142
TCF Financial	**	**	**	164
TECO Energy	410	458	442	152
Tecumseh Products	458	522	571	126
Tektronix	718	NM	846	134
Tele-Communications	721	228	39	160
Telecom-USA	**	**	**	134
Teledyne	**	**	282	122
Temple-Inland	**	**	**	176
Tenneco	727	577	710	126
Teradyne	779	NM	777	134
Tesoro Petroleum	872	NM	847	156
Texaco	812	NM	662	156
Texas Air	890	NM	761	204
Texas Industries	685	603	683	188
Texas Instruments	**	**	798	134
Texas Utilities	402	452	630	152
Textron	556	421	656	122
TGI Friday's	**	**	**	192
Thermo Electron	682	284	300	126
Thiokol	**	**	**	122
Thomas & Betts	225	455	582	134

Profitability: 10-year return on equity. **Growth:** 10-year annual earnings-per-share growth. **Stock market:** 10-year price change. **NM:** Not meaningful. **Not ranked.

	RANK			
Company	**Profitability**	**Growth**	**Stock market**	**Page**
Thorn Apple Valley	808	NM	815	172
TIE/Communications	845	NM	821	134
Time Warner	**	**	**	[illegible]
Times Mirror	96	255	338	160
Timken	826	614	783	126
TJX Cos	**	**	**	192
Todd Shipyards	885	NM	871	122
Tonka	482	NM	117	148
Torchmark	179	103	80	184
Toro	574	NM	744	142
Tosco	792	608	873	156
Toys "R" Us	93	29	20	192
Transamerica	524	NM	500	184
Transco Energy	788	NM	805	156
Travelers	**	**	609	184
Tredegar Industries	**	**	**	188
Tribune	283	171	**	160
Trinity Industries	717	NM	501	126
Trinova	526	199	460	126
Trustcorp	655	NM	620	164
TRW	316	519	536	122
Tucson Electric	281	123	**	152
Turner Broadcasting	**	NM	54	160
Turner Corp	653	NM	625	140
TW Services	**	**	**	172
20th Century Inds	39	46	46	184
Tyco Laboratories	129	363	44	188
Tyson Foods	48	35	10	172
UAL	249	NM	104	204
UGI	734	552	743	156
UJB Financial	**	**	253	164
UNC	840	NM	869	122
Union Bank	647	NM	677	164
Union Camp	442	513	509	176
Union Carbide	185	NM	694	130
Union Electric	427	NM	562	152
Union Pacific	698	512	621	200
Union Texas Petrol	**	**	**	156
Unisys	694	350	853	134
United Banks of Colo	731	589	729	164
United Brands	701	313	287	172
United HealthCare	**	**	**	180
United Illuminating	618	NM	709	152
United Merchants	880	NM	851	148
US Bancorp	480	473	414	164
US Healthcare	**	**	**	180
US Home	866	623	875	140
US Shoe	602	565	169	192
United Stationers	195	87	491	124
United Technologies	548	524	522	122
United Telecom	509	NM	341	134
Univar	**	**	**	130
Universal	199	266	347	172
Universal Foods	483	429	197	172
Universal Health	591	NM	825	180
Unocal	639	572	560	156
UNUM	**	**	**	184
Upjohn	196	351	280	180
US West	**	**	**	134
USAir Group	447	515	255	204
USF&G	622	NM	714	184
USG	103	276	**	188
Uslico	443	NM	454	184
USLife	663	544	657	184
UST Inc	25	96	77	172
USX	841	NM	636	156, 188
UtiliCorp United	294	124	315	156
Valero Energy	811	590	770	156
Valhi	**	**	**	156
Valley National	668	535	844	164
Valmont Industries	535	323	110	188
Valspar	144	72	37	130
Varian Associates	756	480	725	134
Varity	893	NM	874	126
VF	57	49	58	148
Viacom	**	**	**	160
Village Super Market	449	106	131	192
Vista Chemical	**	**	**	130
Volt Info Sciences	720	NM	801	124
Vons Cos	**	**	**	192
Vulcan Materials	197	332	231	188
VWR	**	**	**	124
Waban	**	**	**	192
Wackenhut	472	514	302	124
Wal-Mart Stores	11	12	6	192
Walgreen	135	121	71	192
Wallace Computer Svs	211	184	125	124
Wang Laboratories	617	NM	840	134
Warner Commun	261	474	149	160
Warner-Lambert	168	322	222	180
Washington Gas Light	383	402	507	156
Washington Mutual	**	**	**	164
Washington National	803	NM	716	184
Washington Post	24	44	47	160
Waste Management	94	36	28	124
Weirton Steel	**	**	**	188
Weis Markets	192	212	184	192
Wells Fargo	473	NM	193	164
Wendy's Intl	533	509	641	192
Western Digital	437	NM	574	134
Western Publishing	**	**	**	160
Western Union	895	NM	886	134
Westinghouse	188	344	144	126
Westmoreland Coal	859	NM	822	156
Westvaco	503	393	449	176
Wetterau	300	257	250	172
Weyerhaeuser	678	NM	762	176
Wheelabrator Tech	**	**	**	140
Wheeling-Pittsburgh	832	NM	831	188
Whirlpool	384	491	422	142
Whitman	**	**	276	172
Wholesale Club	**	**	**	192
Wicor	571	532	598	156
Willamette Inds	296	325	444	176
Williams Cos	800	NM	775	156
Winn-Dixie Stores	224	486	393	192
Winnebago Industries	887	NM	563	142
Wisconsin Energy	343	303	351	152
Wisconsin Public Svc	392	436	499	152
Witco	412	448	447	130
FW Woolworth	568	442	278	192
Worthington Inds	132	223	325	188
WPL Holdings	354	386	495	152
Wm Wrigley Jr	141	244	130	172
Wyle Laboratories	772	554	778	134
Wyman-Gordon	738	613	793	122
Wyse Technology	**	**	**	184
Xerox	675	571	810	124, 184
Yellow Freight Sys	322	226	388	200
Zenith Electronics	820	600	748	134
Zenith National Ins	176	310	198	184
Zum Industries	573	NM	366	126

Profitability: 10-year return on equity. **Growth:** 10-year annual earnings-per-share growth. **Stock market:** 10-year price change. **NM:** Not meaningful.
**Not ranked.

Science & Technology

Edited by Gary Slutsker

Scientists are convinced that asbestos in buildings and schools isn't so dangerous after all. Why are we spending $5 billion a year to rip it out? Good question.

Paratoxicology

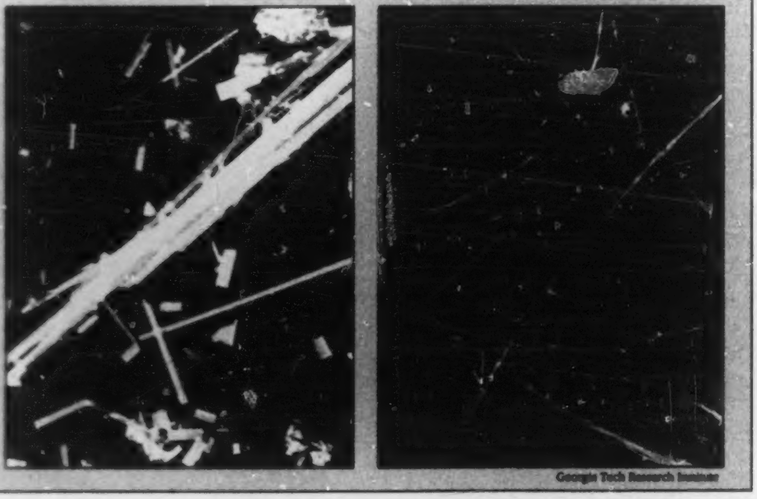
In May 1988, when the U.S. Environmental Protection Agency released its much awaited study on the health risks to people exposed to asbestos in buildings, the scientific community wasn't quite sure what to expect. Public hysteria about the asbestos threat had reached its zenith a year earlier, when Congress passed a law requiring every school board in the country to come up with a plan to deal with the potential asbestos health risk. "Parents thought, 'We're going to have geniuses die at 35, we're going to play Russian roulette with our kids,' " recalls Arnold Fege, chief lobbyist for the National Parents & Teachers Association, which heavily supported the asbestos law.

But some scientists who had been studying the effects of low-level exposure to asbestos were increasingly convinced that parents and Congress had overreacted. Their hunch was borne out when the EPA announced it had found that the asbestos fiber levels indoors were no more dangerous than the outdoor levels.

We live in a risky world, filled with serious public health threats, but low-level exposure to asbestos in buildings does not seem to be one of them. Nevertheless, fear of asbestos has created a $3-billion-a-year industry for lawyers, consultants, smart real estate developers—and especially for the so-called asbestos abatement contractors who get paid a lot of money to rip asbestos out of buildings and bury it in landfills. Not only does abatement cost a lot of money, but also it is becoming clear that it sometimes creates new problems that didn't previously exist, by stirring up clouds of asbestos dust.

Not all asbestos is alike

These electron micrographs, magnified more than 10,000 times, show the two principal types of asbestos. Straight-arrow amphiboles, on the left, are up to 50 times more toxic than naturally curly chrysotile (right). Roughly 95% of asbestos used in the U.S. is chrysotile.



Georgia Tech Research Institute

"The basis for this fear [of exposure to asbestos] is unreal, not founded in reality, a gross overreaction that's high in emotional content," says Dr. Bernard Gee, mincing no words. Gee is professor of medicine at Yale. He concluded in a recent article in the *New England Journal of Medicine* that there is no evidence that environmental exposure to asbestos is a public health hazard. "A friend calls it paratoxicology," he says, referring to the type of evidence used by the anti-asbestos crowd.

Where did the fears come from? The bulk of the paratoxicologists' "evidence", comes from mathematical algorithms that extrapolate the risk of low-level exposures based on data compiled from actual cases of asbestos industry workers. However, some of that data is now suspect because it was gathered using older microscope techniques. Even so, the anticipated mortality rates turned out to be quite small in comparison with other everyday risks *(see table, p. 303).*

But even those minuscule risks may be overstated. Accurately assessing risk isn't as simple as extrapolating from lethal high exposures to low ones. The implicit argument behind the extrapolation is that there is no minimum threshold for a human's tolerance to asbestos. According to this kind of thinking, once the killer fibers pierce a cell in the lung, they sit there and oxidize, or rust, and tumors begin to appear around them. As the fibers accumulate, it's only a matter of time before asbestosis (scarring of the lung tissue), lung cancer or mesothelioma (tumors in the linings of the lung and digestive tract) will kill.

Asbestos is all around us—in the air, in the water, everywhere. It's a naturally occurring mineral. It's what brake linings are made of, though that is being phased out. Every time a car or truck hits the brakes, asbestos fibers are released into the air.

With all these deadly fibers floating around, you'd expect a rise in asbestos-related diseases among the general public. Yet asbestosis affects only asbestos workers, as does asbestos-related lung cancer. Many of the affected workers tended to be heavy smokers. If people who do not work directly with asbestos do not get diseases that are related to asbestos, then there would seem to be little risk from environmental asbestos.

That leaves mesothelioma, of which there are fewer than 2,000 new cases a year. But here, too, the evidence is far from convincing. Some 80% of the mesothelioma cases occur in men over 65 who were asbestos workers. Again, if asbestos were an important environmental carcinogen, you'd expect to find a lot more of these tumors, particularly among women, says Brooke Mossman, an associate professor of pathology at the University of Vermont who coauthored the *New England Journal* article with Yale's Dr. Gee. It simply isn't happening.

This is a difficult paradox for the pro-abatement people, since, as writer Michael Fumento pointed out recently in the *American Spectator*, "You can't abate the great outdoors."

How is it that the human body is able to dodge so many deadly bullets in the environment? First of all, the body appears to have several protective mechanisms for defusing those fibers that are able to elude the body's respiratory filters. One mechanism is the ability of damaged cells to repair themselves and defuse fibers by mummifying them, as it were, in membranes. Another defense mechanism, confirmed by studying lung tissue of asbestos workers, is the production of specialized enzymes that consume oxygen, preventing asbestos fibers from ever oxidizing.

Moreover, some fibers are much more deadly than others. In at least one study, amphiboles, an asbestos group mostly from South Africa and Australia, were found to be over 50 times more toxic than chrysotile, the familiar white asbestos from Quebec that accounts for about 95% of all asbestos used in the U.S. Individual chrysotile fibers are curly, which keeps most of them from ever reaching the lungs, while amphiboles are long, slender straight arrows *(see electron micrographs, p. 302).* Amazingly, this distinction in fiber types—strongly evident from recent advances in transmission electron microscopy—has yet to be acknowledged by Congress and the EPA in assessing the real public health risk.

The result of asbestos fiber phobia has been the overnight growth of what is now a $3 billion industry. Asbestos abatement outfits like Chempower and Allwaste have raised millions with new stock issues in the last two years. They have an easy sales pitch to building owners: Want to have tenants? Want to eliminate your liability? Then let us remove your asbestos problem.

Some abaters can afford to buy fancy new high-tech removal equipment to make the job less labor intensive. Mitsubishi just introduced a flatbed truck containing a giant vacuum that not only sucks materials containing asbestos through a hose from high atop skyscrapers, but also filters and embeds it in concrete mixed right aboard the 5½-ton truck. Total sticker price: $500,000.

Entrepreneurs are eager to help with asbestos disposal. Legally, building owners own the asbestos they remove for up to 40 years, even while it's sitting in a landfill. But Larry Penberthy, a Seattle inventor, wants to get rid of asbestos liability forever. His Penberthy Electromelt International Inc. has EPA approval for a process that heats a mixture of abated asbestos, sand and baking soda to temperatures of 2,600 degrees Fahrenheit (its high tolerance to heat was, after all, why asbestos was installed in the first place), producing glass he'd like to sell to highway contractors as filler.

Alas, all this asbestos abatement isn't doing much good. The sad truth is that abatement usually raises the levels of asbestos fibers in a building short term, endangering abatement workers—who are often recruited from Third World countries—if not also occupants.

Life's risky

Asbestos in buildings seems safe next to most everyday risks. Figures are expected deaths before age 65 per 100,000 people.

Smoking (all causes)	**21,900**
Smoking (cancer only)	**8,800**
Motor vehicle	**1,600**
Frequent airline passenger	**730**
Coal mining accidents	**441**
Indoor radon	**400**
Motor vehicle–pedestrian	**290**
Environmental tobacco smoke, living with a smoker	**200**
Diagnostic X rays	**75**
Cycling deaths	**75**
Consuming Miami or New Orleans drinking water	**7**
Lightning	**3**
Hurricanes	**3**
Asbestos in school buildings	**1**

Source: Harvard University symposium summary, August 1989.

"When you start ripping it up and creating big dust clouds, it's not surprising you find a residue problem," says Garry Burdett, a Ph.D. in environmental science who measures asbestos fiber levels at Georgia Tech Research Institute in Atlanta.

Why do business people worry about asbestos abatement? Because it's the law in some cases. The EPA calls for abatement when a building undergoes renovation that would disturb existing asbestos, and also prior to demolition, a sensible precaution.

But even when abatement isn't explicitly called for by the law—as in Congress' school law—it is often the most attractive option for dealing with asbestos because of questions over liability.

"No building owner has been found liable for asbestos-related medical damage to tenants," says Richard Jones, senior partner at Pepe & Hazard, a Hartford law firm that represents building owners and lenders. Still, many mortgage bankers will continue to insist upon abatement until the government tells them that asbestos in buildings is safe—in spite of the solid evidence against abatement that says asbestos isn't dangerous until it's disturbed.

With evidence mounting that Congress has overreacted to the asbestos threat, it recently ordered the EPA to find out from the prestigious Health Effects Institute in Cambridge, Mass. what the real risks are. This appears to be more of a face-saving delaying tactic than anything else.

The Health Effects Institute study is just now getting started and won't likely affect public policy decisions for years. Yet a recent summary report on a 1988 Harvard symposium is a veritable bibliography of research showing that the low levels of asbestos present in most buildings offers little, if any, risk.

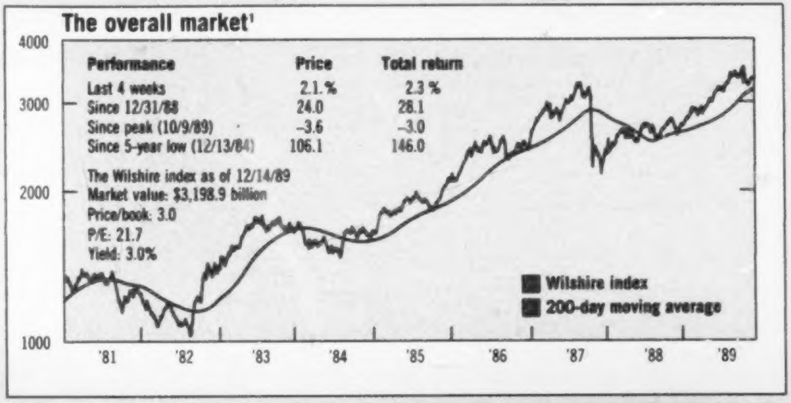
How should people sensibly deal with asbestos? Treat it with respect, like any other potential hazard. "I always use the analogy of electricity," says Georgia Tech's Burdett. "It's a very dangerous thing, and everybody in every room has access to a power supply. If you get two pieces of metal and stick them in the socket, you're in trouble." But who would ban electricity? Likewise, asbestos is a manageable risk that need not necessarily be abated—especially if pulling it out is a lot more dangerous than just leaving it alone.—G.S.

The Forbes Wall Street Review

Edited by Eric S. Hardy

Electric utility stocks are hot. Smith Barney's utility analyst, Daniele Seitz, thinks these stocks will continue to outperform the market at least through the first half of 1990. Turnaround companies like Commonwealth Edison and CMS Energy, she says, are the best candidates, and could reward investors with a total return of up to 30% next year.

Technology stocks, on the other hand, are cold. IBM and DEC recently hit 52-week lows. The Hambrecht & Quist technology stock index fell 2.5% in the first two weeks of December. The Wilshire index rose 0.9%.


The overall market[1]

Performance	Price	Total return
Last 4 weeks	2.1 %	2.3 %
Since 12/31/88	24.0	28.1
Since peak (10/9/89)	–3.6	–3.0
Since 5-year low (12/13/84)	106.1	146.0

The Wilshire index as of 12/14/89
Market value: $3,198.9 billion
Price/book: 3.0
P/E: 21.7
Yield: 3.0%

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,396.59	0.9%
Wilshire index 6,000 stocks, equal weighted	21.60	–0.6
Dow Jones industrials 30 stocks: divisor-adjusted price average	2,753.63	1.8
S&P 500 Capitalization weighted cross-section, major stocks	350.93	1.4
NYSE Capitalization weighted, all listed common stocks	193.97	1.4
Amex Capitalization weighted total return: stocks, warrants	376.82	0.8
Nasdaq Capitalization weighted, all issues except warrants	447.48	–1.9
Amex international market index Capitalization weighted, 50 largest ADRs	331.22	2.0

Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[2] (EAFE) a dollar denominated capitalization weighted index	1029.60	1.8%
Institutional[3] Approximately 200 stocks with high institutional ownership	114.56	–1.2
Individual[3] Approximately 200 stocks with low institutional ownership	106.54	0.1
Technology Hambrecht & Quist index	250.40	–2.5
Gold[4] (Composite quote of 6 major dealers)	$408.70	–0.8
Yen[4] (per $U.S.)	144.20	0.9
Commodity index[4] (CRB futures index, 1967 = 100)	226.61	–0.9
Oil[4] (W Texas Intermediate)	$20.65	3.8
T Bills[4] (90 days)	7.61%	3 basis points[5]
Broker loan rate[4]	9.50%	unchanged

The Best Performing Stocks

Company	Price	2-week change	P/E	Reason
Rowan Cos	11⅛	27%	NM	Improvement in contract drilling business; rumors company may buy Hunt family's Penrod Drilling
Cray Research	38⅛	24	10	Cowen & Co issues buy recommendation
Helmerich & Payne	33¼	18	35	Prospects brightening for oil drilling industry
Novell	38	15	24	Fiscal 1989 profits rise 35%, to $1.46 a share
Home Shopping Network	7⅛	15	NM	Net income rises 85%, to $0.21 a share, during first quarter of fiscal 1990

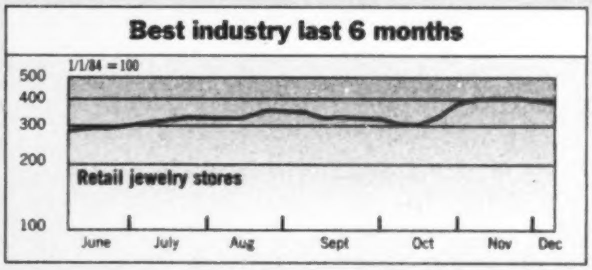
The Worst Performing Stocks

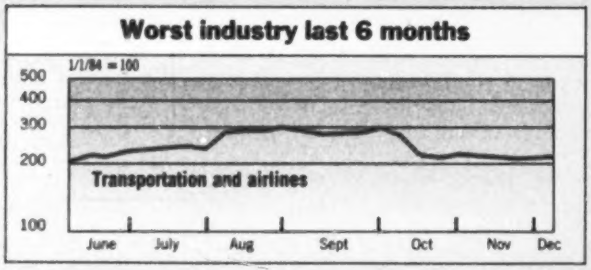
Company	Price	2-week change	P/E	Reason
LA Gear	26	–28%	9	Wall Street is skeptical about company's long-term growth prospects
Lands' End	20½	–25	14	Company forecasts fiscal 1990 earnings could decline about 13%
Apple Computer	34⅞	–21	10	Announces revenues in first quarter of 1990 will be below expectations; Xerox files copyright suit
Newbridge Networks	13½	–19	NA	Possible profit taking; Stock was up more than 75% from July offering price
Midlantic	30¼	–16	5	Moody's downgrades company's debt securities

Note: All data for periods ending 12/14/89. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization-weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Morgan Stanley Capital International Perspective. [3]For period ending 12/15/89. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [4]Knight-Ridder Financial Information. [5]A basis point is equal to one-hundredth of a percentage point. NA: Not available. NM: Not meaningful.

Industry Review

Edited by Gilbert Steedley


Best industry last 6 months


Worst industry last 6 months

Despite the takeover fever that gripped the airline industry in the last six months, airline stocks as a group lost more ground than stocks in any other industry. Two exceptions: Whereas both UAL and AMR are trading considerably below their 52-week highs, following the collapse of buyout offers, they still managed to post six-month gains. So says Los Angeles-based *Investor's Daily,* which monitors the performance of the 197 equal-weighted industry groups. The big losers in the airline industry were troubled Pan Am as well as USAir, Alaska Air and Midway Air. Writeoffs of loans to developing nations hurt the money center banks. On the other hand, retail jewelry stores, gold mining stocks and insurance stocks were strong.

Leading Industries

Retail jewelry stores

Company	Recent price	6-month price change	Relative rank strength	Relative rank EPS	P/E
Weisfields	56⅝	127%	99	37	47
Tiffany & Co	49¾	31	88	98	26
Claire's Stores	13⅜	27	94	83	17
Peoples Jewellers Cl A	16	15	62	30	9
Ratners Group Plc ADR	11½	–2	56	93	5

Gold mining

Company	Recent price	6-month price change	Relative rank strength	Relative rank EPS	P/E
Free States Consol Gold Mines	13½	100%	96	40	11
Western Deep Levels ADR	48⅛	83	94	51	8
Driefontein Consolidated	14¾	62	93	27	22
Amax Gold	19⅛	59	89	48	35
American Barrick Resources	33¾	58	95	79	57

Insurance brokers

Company	Recent price	6-month price change	Relative rank strength	Relative rank EPS	P/E
Hilb Rogal & Hamilton	25	69%	94	84	22
Reed Stenhouse	34	36	87	7	NM
Marsh & McLennan	86½	35	89	64	21
Alexander & Alexander Svcs	33¾	34	86	56	21
Arthur J Gallagher	25¼	29	85	68	18

Lagging Industries

Transportation and airlines

Company	Recent price	6-month price change	Relative rank strength	Relative rank EPS	P/E
Pan Am	2⅛	–32%	19	13	NM
US Air Group	36¼	–22	24	34	28
Alaska Air Group	23½	–20	37	64	8
Midway Air Group	13⅜	–10	28	50	28
America West Airlines	10⅛	–7	57	73	14

Optical-character recognition

Company	Recent price	6-month price change	Relative rank strength	Relative rank EPS	P/E
National Computer Systems	6⅞	–40%	14	22	21
KLA Instruments	8⅝	–34	11	58	14
Symbol Technologies	16⅞	–30	20	88	19
Recognition Equipment	7⅛	–20	28	9	NM
BancTec	14⅝	6	66	87	11

Banks and money centers

Company	Recent price	6-month price change	Relative rank strength	Relative rank EPS	P/E
Citicorp	28⅛	–15%	43	28	5
Security Pacific	39⅝	–15	32	52	6
Chase Manhattan	34⅜	–11	54	10	NM
Chemical Banking	32⅛	–10	38	10	NM
Bankers Trust NY	44¼	–10	43	13	NM

Industries are ranked from 1 (highest) to 197 (lowest) based on the equal-weighted price performance of the companies within the industry group. Relative EPS measures a company's earnings-per-share growth in the last 2 quarters, the last 5 years and the stability of that growth. Relative strength is a stock's daily price change over the last 12 months. For both measurements, stocks are compared with all other stocks and ranked on a scale of 0 to 99, with 99 the highest. Industry group performance is based on 6-month equal-weighted price changes with most recent 3-month results weighted 70%. NM: Not meaningful. All data for periods ending 12/8/89. Source: Investor's Daily, Los Angeles, Calif.